

**KIMBERLY SCHOOL DISTRICT No. 414  
KIMBERLY, IDAHO  
ANNUAL FINANCIAL REPORT  
JUNE 30, 2019**

**KIMBERLY SCHOOL DISTRICT No. 414**  
**KIMBERLY, IDAHO**  
**ANNUAL FINANCIAL REPORT**  
**JUNE 30, 2019**

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Mahlke Hunsaker & Company PLLC  
C e r t i f i e d   P u b l i c   A c c o u n t a n t s

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## INDEPENDENT AUDITORS' REPORT

Chairman and Board of Trustees  
Kimberly School District No. 414  
Kimberly, ID 83341

### **Report on the Financial Statements**

We have audited the accompanying financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of Kimberly School District No. 414 (the District), as of and for the year ended June 30, 2019, and the related notes to the financial statements, which collectively comprise the District's basic financial statements as listed in the table of contents.

### ***Management's Responsibility for the Financial Statements***

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

### ***Auditor's Responsibility***

Our responsibility is to express opinions on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

### ***Opinions***

#### **Basis for Qualified Opinion on Governmental Activities**

Management has not performed the actuarial calculations for Other Post-Employment Benefits – Health and Dental for the governmental activities and, accordingly, has not considered the District's other post-employment benefit liability. Accounting principles generally accepted in the United States of America require a liability and related expense be recorded for other post-employment benefits, which would decrease net position, increase liabilities, and increase expenses in the governmental activities. The amount by which this departure would affect net position, liabilities, and expenses in the governmental activities has not been determined.

#### **Qualified Opinion**

In our opinion, except for the effects of the matter described in the "Basis for Qualified Opinion on the Governmental Activities Opinion Unit" paragraph, the financial statements referred to previously present fairly, in all material respects, the respective financial position of the governmental activities of the District as of June 30, 2019, and the respective changes in financial position for the year then ended in accordance with accounting principles generally accepted in the United States of America.

#### **Unmodified Opinions**

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of each major fund and the aggregate remaining fund information of the District as of June 30, 2019, and the respective changes in financial position thereof for the year then ended in conformity with accounting principles generally accepted in the United States of America.

#### ***Emphasis of Matter***

As discussed in Notes 1, 10 and 11 to the financial statement, the District has adopted the provisions of GASB Statement No. 75, *Accounting and Financial Reporting for Other Postemployment Benefits Other Than Pensions*. The adoption of the new standard pertains to the District's participation in a cost-sharing multi-employer defined benefit plan administered by the Public Employees Retirement System. This has resulted in a restatement of beginning net position as of July 1, 2018. Our opinions are not modified with respect to this matter.

### ***Other Matters***

#### ***Required Supplementary Information***

Accounting principles generally accepted in the United States of America require that the budgetary comparison schedules, schedule of employer's share of net pension liability, and schedule of employer contributions listed as required supplementary information in the table of contents be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Management has omitted the management's discussion and analysis information that accounting principles generally accepted in the United States of America require to be presented to supplement the basic financial statements. Such missing information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. Our opinion on the basic financial statements is not affected by this missing information.

#### ***Other Information***

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the District's basic financial statements. The budgetary comparison schedules, accompanying combining and individual nonmajor fund financial statements and continuing disclosure statement are presented for purposes of additional analysis and are not a required part of the basic financial statements. The schedule of expenditures of federal awards is presented for purposes of additional analysis as required by Title 2 U.S. *Code of Federal Regulations* (CFR) Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards*, and is also not a required part of the basic financial statements.

The budgetary comparison schedules, combining and individual nonmajor fund financial statements and the schedule of expenditures of federal awards are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the budgetary comparison schedules, combining and individual nonmajor fund financial statements and the schedule of expenditures of federal awards are fairly stated in all material respects in relation to the basic financial statements as a whole.

The Continuing Disclosure Statement has not been subjected to the auditing procedures applied in the audit of the basic financial statements and accordingly, we do not express an opinion or provide any assurance on it.

#### ***Other Reporting Required by Government Auditing Standards***

In accordance with *Government Auditing Standards*, we have also issued our report dated October 14, 2019, on our consideration of the District's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the District's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the District's internal control over financial reporting and compliance.

Sincerely,

*Mahlke Hunsaker & Co.*

MAHLKE HUNSAKER & CO., PLLC  
Twin Falls, Idaho  
October 14, 2019

## **GOVERNMENT-WIDE FINANCIAL STATEMENTS**

**KIMBERLY SCHOOL DISTRICT  
KIMBERLY, IDAHO  
STATEMENT OF NET POSITION  
JUNE 30, 2019**

	<b>Governmental Activities</b>
<b>ASSETS</b>	
Current assets:	
Cash and cash equivalents	\$ 1,265,932
Investments	2,373,700
Property taxes receivable	54,671
Other receivables	1,290,104
Total current assets	<u>4,984,407</u>
Noncurrent assets:	
Capital assets, (net of depreciation)	26,577,138
Construction in Progress	3,182,196
Net OPEB asset	453,844
Total noncurrent assets	<u>30,213,178</u>
<b>Total assets</b>	<u><b>35,197,585</b></u>
<b>DEFERRED OUTFLOWS OF RESOURCES</b>	
Pension obligations	1,419,571
OPEB	147,953
Advance refunding loss	222,462
Total deferred outflows of resources	<u>1,789,986</u>
<b>Total assets and deferred outflows of resources</b>	<u><b>\$ 36,987,571</b></u>
<b>LIABILITIES</b>	
Current liabilities:	
Accounts payable	\$ 86,305
Interest payable	232,722
Current portion of capital leases payable	86,038
Current portion of bonds payable	970,000
Salaries and benefits payable	1,516,882
Total current liabilities	<u>2,891,947</u>
Noncurrent liabilities:	
Noncurrent portion of capital leases payable	154,010
Noncurrent portion of bonds payable	21,860,000
Premium on debt issuance	1,521,887
Net pension liability	3,096,850
Total noncurrent liabilities	<u>26,632,747</u>
<b>Total liabilities</b>	<u><b>29,524,694</b></u>
<b>DEFERRED INFLOWS OF RESOURCES</b>	
Employer pension assumption	529,306
OPEB	27,747
Total deferred inflows of resources	<u>557,053</u>
<b>NET POSITION</b>	
Invested in capital assets, net of related debt	5,628,569
Restricted for:	
School lunch	38,668
Federal Programs	-
Local Grants	44,957
State Programs	6,627
Capital projects	593,479
Debt service	1,908,868
Unrestricted (deficit)	<u>(1,315,344)</u>
Total net position	<u>6,905,824</u>
<b>Total liabilities, deferred inflows, and net position</b>	<u><b>\$ 36,987,571</b></u>

See Notes to Financial Statements.

**KIMBERLY SCHOOL DISTRICT  
KIMBERLY, IDAHO  
STATEMENT OF ACTIVITIES  
FOR THE YEAR ENDED JUNE 30, 2018**

		<b>Program Revenues</b>		<b>Net (Expense) Revenue and Changes in Net Assets Total</b>
	<b>Expenses</b>	<b>Operating Grants and Contributions</b>	<b>Charges for Services</b>	<b>Governmental Activities</b>
Functions/Programs				
Instructional services:				
Instructional staff and benefits	\$ 6,111,785	\$ 5,801,598	\$ -	\$ (310,187)
Supplies and other	1,027,910	975,741	-	(52,169)
Supporting services:				
Instructional staff and supplies	1,650,651	1,566,877	-	(83,774)
District administration	440,511	418,154	-	(22,357)
School administration	2,194,181	2,082,821	-	(111,360)
Operation and maintenance of facilities	1,233,052	1,170,472	-	(62,580)
Transportation	620,215	-	-	(620,215)
School lunch services	699,371	432,780	234,902	(31,689)
Student activities	231,591	219,837	-	(11,754)
Interest on long-term debt	709,639	-	-	(709,639)
Total governmental activities	14,918,906	12,668,281	234,902	(2,015,723)
General Revenues:				
Taxes:				
Property taxes, levied for general purposes				403,130
Property taxes, levied for debt service				1,292,505
Interest and investment earnings				128,976
Bond levy equalization				467,889
Other local & miscellaneous				478,009
Total general revenues				<u>2,770,509</u>
Change in net position				754,786
Net position-beginning of year, restated				<u>6,151,038</u>
Net position-end of year				<u><u>\$ 6,905,824</u></u>

See Notes to Financial Statements.



## **FUND FINANCIAL STATEMENTS**

**KIMBERLY SCHOOL DISTRICT  
KIMBERLY, IDAHO  
BALANCE SHEET  
GOVERNMENTAL FUNDS  
JUNE 30, 2019**

	<b>Major Funds</b>			<b>Other</b>	<b>Total</b>
	<b>General Fund</b>	<b>Debt Service</b>	<b>Capital Projects</b>	<b>Governmental Funds</b>	<b>Governmental Funds</b>
<b>ASSETS</b>					
Cash and cash equivalents	\$ 355	\$ 704,713	\$ 65,168	\$ 36,176	\$ 806,412
Equity in pooled cash	512,288	-	-	80,321	592,609
Restricted Cash	-	-	-	-	-
Investments	1,167,333	413,725	444,501	-	2,025,559
Taxes receivable	8,996	36,972	8,703	-	54,671
Receivable from other governments	540,015	432,566	99,683	217,840	1,290,104
Due from other funds	0	-	-	-	-
Investments-Restricted	-	348,141	-	-	348,141
Prepaid items	-	-	-	-	-
<b>Total assets</b>	<u>\$ 2,228,987</u>	<u>\$ 1,936,117</u>	<u>\$ 618,055</u>	<u>\$ 334,337</u>	<u>\$ 5,117,496</u>
<b>LIABILITIES, DEFERRED INFLOWS AND FUND BALANCE</b>					
<b>LIABILITIES</b>					
Deficit in pooled cash	\$ -	\$ -	\$ -	\$ 133,089	\$ 133,089
Accounts payable	60,129	-	18,151	8,025	86,305
Payable to other funds	-	-	-	-	-
Salaries and benefits payable	1,350,642	-	-	166,240	1,516,882
<b>Total liabilities</b>	<u>1,410,771</u>	<u>-</u>	<u>18,151</u>	<u>307,354</u>	<u>1,736,276</u>
<b>DEFERRED INFLOWS OF RESOURCES</b>					
Unavailable revenue-property taxes	<u>6,358</u>	<u>27,249</u>	<u>6,425</u>	<u>-</u>	<u>40,032</u>
<b>FUND BALANCE</b>					
Nonspendable	-	-	-	-	-
Restricted					
Capital projects	-	-	593,479	-	593,479
Debt service	-	1,908,868	-	-	1,908,868
Federal programs	-	-	-	-	-
State programs	-	-	-	6,627	6,627
School lunch program	-	-	-	38,668	38,668
Local Grants	44,957	-	-	-	44,957
Committed					
General board reserves	149,852	-	-	-	149,852
Assigned					
Capital projects	-	-	-	-	-
Unassigned	617,049	-	-	(18,312)	598,737
<b>Total fund balances</b>	<u>811,858</u>	<u>1,908,868</u>	<u>593,479</u>	<u>26,983</u>	<u>3,341,188</u>
<b>Total liabilities, deferred inflows of resources and fund balance</b>	<u>\$ 2,228,987</u>	<u>\$ 1,936,117</u>	<u>\$ 618,055</u>	<u>\$ 334,337</u>	<u>\$ 5,117,496</u>

See Notes to Financial Statements.

**KIMBERLY SCHOOL DISTRICT  
KIMBERLY, IDAHO  
RECONCILIATION OF THE BALANCE SHEET - GOVERNMENTAL FUNDS  
TO THE STATEMENT OF NET POSITION  
JUNE 30, 2019**

**Total fund balances - governmental funds** \$ 3,341,188

Amounts reported for governmental activities in the statement of net position are different because:

Capital assets used in governmental activities are not financial resources and therefore are not reported in the funds. These assets, net of accumulated depreciation, consist of :

Land	\$ 648,028	
Buildings and improvements, net of accumulated depreciation	25,248,266	
Transportation and other equipment, net of accumulated depreciation	680,844	
Construction in progress	<u>3,182,196</u>	
		29,759,334

Some of the District's property taxes will be collected after year-end, but are not available soon enough to pay for the current period's expenditures, and therefore are reported as unavailable revenue-property taxes in the funds		40,032
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Interest on long-term debt is not accrued in governmental funds, but rather is recognized as an expenditure when due. Accrued interest for general obligation bonds is \$232,722.		(232,722)
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Long-term liabilities that pertain to governmental funds, including bonds payable, are not due and payable in the current period and therefore are not reported as fund liabilities. All liabilities - both current and long-term - are reported in the Statement of Net Position.

Other post employment benefits asset	453,844	
Due in more than one year-pension liabilities	(3,096,850)	
Unamortized premium and advance refunding loss on bonds payable	(1,299,425)	
Bonds payable	(22,830,000)	
Capital leases payable	<u>(240,048)</u>	
		(27,012,479)

Deferred outflows of resources not reported in the funds	1,567,524	
Deferred inflows of resources not reported in the funds	<u>(557,053)</u>	<u>1,010,471</u>

**Net Position of Governmental Activities** \$ 6,905,824

**KIMBERLY SCHOOL DISTRICT  
KIMBERLY, IDAHO  
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES  
GOVERNMENTAL FUNDS  
FOR THE YEAR ENDED JUNE 30, 2019**

	<b>Major Funds</b>			<b>Other</b>	<b>Total</b>
	<b>General Fund</b>	<b>Debt Service</b>	<b>Capital Projects</b>	<b>Governmental Funds</b>	<b>Governmental Funds</b>
<b>REVENUES</b>					
Property taxes	\$ 400,083	\$ 1,292,222	\$ 279,526	\$ -	\$ 1,971,831
Earnings on investments	76,845	16,895	35,184	-	128,924
School lunch revenue	-	-	-	-	-
Other local	68,164	-	-	363,694	431,858
State aid	11,336,345	484,608	-	494,237	12,315,190
Federal aid	3,004	69,998	-	1,028,998	1,102,000
<b>Total revenues</b>	<u>11,884,441</u>	<u>1,863,723</u>	<u>314,710</u>	<u>1,886,929</u>	<u>15,949,803</u>
<b>EXPENDITURES</b>					
Current operating:					
General government	11,139,858	-	-	1,898,166	13,038,024
Capital Projects	-	-	3,272,035	-	3,272,035
Debt service	-	2,023,183	-	-	2,023,183
Child Nutrition				682,598	682,598
<b>Total expenditures</b>	<u>11,139,858</u>	<u>2,023,183</u>	<u>3,272,035</u>	<u>2,580,764</u>	<u>19,015,840</u>
<b>Excess (deficiency) of revenues over expenditures</b>	<u>744,583</u>	<u>(159,460)</u>	<u>(2,957,325)</u>	<u>(693,835)</u>	<u>(3,066,037)</u>
<b>OTHER FINANCING SOURCES (USES)</b>					
Bond proceeds	-	-	-	-	-
Proceeds of refunding bonds	-	-	-	-	-
Transfers in	-	-	64,060	741,997	806,057
Transfers out	(806,057)	-	-	-	(806,057)
Advance refunding escrow	-	-	-	-	-
<b>Total other financing sources (uses)</b>	<u>(806,057)</u>	<u>-</u>	<u>64,060</u>	<u>741,997</u>	<u>-</u>
<b>Net change in fund balance</b>	<u>(61,474)</u>	<u>(159,460)</u>	<u>(2,893,265)</u>	<u>48,162</u>	<u>(3,066,037)</u>
<b>Fund balances-beginning</b>	<u>873,332</u>	<u>2,068,328</u>	<u>3,486,744</u>	<u>(21,179)</u>	<u>6,407,225</u>
<b>Fund balances-ending</b>	<u>\$ 811,858</u>	<u>\$ 1,908,868</u>	<u>\$ 593,479</u>	<u>\$ 26,983</u>	<u>\$ 3,341,188</u>

See Notes to Financial Statements.

**KIMBERLY SCHOOL DISTRICT  
KIMBERLY, IDAHO  
RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN  
FUND BALANCES - GOVERNMENTAL FUNDS TO THE STATEMENT OF ACTIVITIES  
FOR THE YEAR ENDED JUNE 30, 2019**

**Net change in fund balances-total governmental funds** **\$ (3,066,037)**

Amounts reported for governmental activities in the statement of activities are different because:

Governmental funds report capital outlays as expenditures. However, in the statement of activities, assets with an initial, individual cost of more than \$5,000 for furniture and equipment and \$100,000 for buildings and improvements are capitalized and the cost is allocated over their estimated useful lives and reported as depreciation expense. This is the amount by which depreciation exceeded capital outlays in the current period.

Depreciation expense	(957,662)
Capital outlays	3,120,097

The governmental funds report bond proceeds as financing sources, while repayment of bond principal is reported as an expenditure. In the statement of net position, however, issuing debt increases long-term liabilities and does not affect the statement of activities and repayment of principal reduces the liability. Also, governmental funds report the effect of issuance costs and premiums when debt is first issued, whereas these amounts were deferred and amortized in the statement of activities.

Interest is recognized as an expenditure in the governmental funds when it is due. In the statement of activities, however, interest expense is recognized as it accrues, regardless of when it is due. The net effect of these differences in the treatment of general obligation bonds and related items is as follows:

Loan proceeds	(106,987)
Bond premium amortization	106,040
Repayment of bond principal	1,185,000
Interest expense - general obligation bonds	22,504
Capital lease payments	130,902

Property tax revenues received prior to the year for which they are being levied are reported as deferred inflows of resources in the governmental funds. They are, however, recorded as revenues in the statement of Unavailable revenue -property taxes increased this year.

3,263

Changes in net pension liability and related pension obligations deferred outflow and employer pension assumption deferred inflow of resources do not provide required current financial resources and therefore are not reflected in the funds

317,666

<b>Change in net assets of governmental activities</b>	<b>\$ 754,786</b>
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**KIMBERLY SCHOOL DISTRICT  
KIMBERLY, IDAHO  
STATEMENT OF FIDUCIARY NET POSITION  
JUNE 30, 2019**

	Agency Funds
<b>ASSETS</b>	
Cash and cash equivalents	\$ 405,731
<b>Total Assets</b>	<u><u>\$ 405,731</u></u>
 <b>LIABILITIES</b>	
Liabilities	
Due to student activities	\$ 405,731
<b>Total Liabilities</b>	<u><u>\$ 405,731</u></u>

See Notes to Financial Statements.

## **NOTES TO FINANCIAL STATEMENTS**

**KIMBERLY SCHOOL DISTRICT No. 414**  
**KIMBERLY, IDAHO**  
**NOTES TO FINANCIAL STATEMENTS**  
**JUNE 30, 2019**

**NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

**A. Description of the School District**

Kimberly School District No. 414 (the District) provides public school educational services as authorized by Section 33 of Idaho Code. The District is governed by an elected Board of Trustees which possesses final decision making authority and is held primarily accountable for those decisions. The Board is responsible for approving the budget, establishing spending limitations, funding any deficits, and borrowing funds and/or issuing bonds to finance school system operations and construction. The statements reflect all funds and accounts directly under the control of the District.

**B. Basis of Presentation**

The financial statements of the District have been prepared in conformity with accounting principles generally accepted in the United States of America (GAAP) as applied to local government units and to state laws applicable to school districts. The Governmental Accounting Standards Board (GASB) is the accepted standard-setting body for establishing governmental accounting and financial reporting principals. The more significant accounting policies of the District are described below:

**C. Financial Reporting Entity**

The District follows GASB in determining the reporting entity. The financial reporting entity consists solely of the primary government. Accordingly, the financial statements include all funds, and agencies of the primary government whose budgets are controlled or whose boards are appointed by the District's Board of Trustees. Control or dependence on the District was determined on the basis of appointment authority, budget adoption, taxing authority, outstanding debt secured by revenues or general obligations of the District and legal standing.

The District contributes to the multi-employer Public Employee Retirement System of Idaho (PERSI). PERSI is administered by the State of Idaho. A ten year history is provided in PERSI's annual report.

**D. Fund Accounting**

The accounts of the District are organized and operated on the basis of funds. A fund is an independent fiscal and accounting entity with a self-balancing set of accounts. Fund accounting segregates funds according to their intended purpose and is used to aid management in demonstrating compliance with finance-related legal and contractual provisions. The minimum number of funds is maintained consistent with legal and managerial requirements.

The funds of the District are classified into two categories: governmental and fiduciary. In turn, each category is divided into separate fund types. The fund classifications and a description of each existing fund type follows:

*Governmental Funds*

Governmental funds are used to account for the District's general governmental activities, including the collection and disbursement of specific or legally restricted monies, the acquisition or construction of general fixed assets, and the servicing of general long-term debt. The general fund and debt service fund, are considered major funds while the remaining governmental funds are considered non-major. Governmental funds include:

General fund – the primary operating fund of the District accounts for all financial resources, except those required to be accounted for in other funds.

Special revenue funds – account for the proceeds of specific revenue sources that are legally restricted to expenditures for specified purposes.



**KIMBERLY SCHOOL DISTRICT No. 414**  
**KIMBERLY, IDAHO**  
**NOTES TO FINANCIAL STATEMENTS**  
**JUNE 30, 2019**

**NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - Continued**

Debt service fund – account for the servicing of general long-term debt.

Capital project fund– accounts for the acquisition of fixed assets or construction of major capital projects.

*Fiduciary Funds*

Fiduciary funds account for assets held by the government in a trustee capacity or as an agent on behalf of outside parties, including other governments, or on behalf of other funds within the District.

Agency funds are used to account for assets that the government holds for others in the agency capacity. The agency funds are custodial in nature and do not present results of operations or have a measurement focus.

The District has the following agency funds:

School activity funds – accounts for assets held by the District as an agent for the individual schools and school organizations.

**E. Measurement Focus and Basis of Accounting**

*Government-Wide Financial Statements (GWFS)* - The Statement of Net Position and the Statement of Activities display information about the reporting government as a whole. Fiduciary funds are not included in the Government Wide Financial Statements. Fiduciary funds are reported only in the Statement of Fiduciary Net Assets at the fund financial statement level.

The Statement of Net Position and the Statement of Activities were prepared using the economic resources measurement focus and the accrual basis of accounting. Revenues, expenses, gains, losses, assets, and liabilities resulting from exchange-like transactions are recognized when the exchange takes place. Revenues, expenses, gains, losses, assets, and liabilities resulting from nonexchange transactions are recognized in accordance with the requirements of GASB Statement No. 33 “Accounting and Financial Reporting for Nonexchange Transactions.”

*Program revenues*

Program revenues included in the Statement of Activities derive directly from the program itself or from parties outside the District’s taxpayers or citizenry, as a whole; program revenues reduce the cost of the function to be financed from the District’s general revenues. Program revenues include charges to students or applicants who purchase, use or directly benefit from the goods or services provided by the given function.

*Allocation of indirect expenses*

The District reports all direct expenses by function in the Statement of Activities. Direct expenses are those that are specifically associated with a service, program or department and are therefore clearly identifiable to a particular function. Indirect expenses of other functions are not allocated to those functions but are reported separately in the Statement of Activities. Depreciation expense is not specifically identified by function and is considered an unallocated indirect expense. Interest on general long term debt is considered an indirect expense and is reported separately on the Statement of Activities.

**KIMBERLY SCHOOL DISTRICT No. 414**  
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**JUNE 30, 2019**

**NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – Continued**

*Fund Financial Statements* – The accounting and financial reporting treatment applied to a fund is determined by its measurement focus. Governmental fund types use the flow of current resources measurement focus and the modified accrual basis of accounting. Under the modified accrual basis of accounting, revenues are recognized when susceptible to accrual (i.e. when they are “measurable and available”). “Measurable” means the amount of the transaction can be determined and “available” means collectible within the current period or soon enough thereafter to pay liabilities of the current period. The District considers all revenues available if they are collected within 60 days after year-end. Expenditures are recorded when the related fund liability is incurred, except for unmatured principal and interest on general long-term debt which is recognized when due, and certain compensated absences and claims and judgments which are recognized when the obligations are expected to be liquidated with expendable available financial resources. With this measurement focus, only current assets and current liabilities are generally included on the balance sheet. Operating statements of these funds present increases and decreases in net current assets. The governmental funds use the following practices in recording revenues and expenditures:

*Revenues*

*Ad valorem taxes* are susceptible to accrual.

*Entitlements and shared revenues* (which include state equalization and state revenue sharing) are recorded as unrestricted grants-in-aid at the time of receipt or earlier if the susceptible to accrual criteria are met. Expenditure-driven grants are recognized as revenue when the qualifying expenditures have been incurred and all other grant requirements have been met and the susceptible to accrual criteria have been met.

*Other receipts* become measurable and available when cash is received by the District and are recognized as revenue at that time.

*Expenditures*

Salaries are recorded as paid. Salaries for twelve-month employees are accrued at June 30, 2019.

*Other Financing Sources (Uses)*

Transfers between funds that are not expected to be repaid (or any other types, such as capital lease transactions, sale of fixed assets, debt extinguishments, long-term debt proceeds, et cetera) are accounted for as other financing sources (uses). These other financing sources (uses) are recognized at the time the underlying event occurs.

**F. Cash and Investments**

*Cash and Cash Equivalents*

The District pools cash of all funds into common bank accounts. The accounting records of each fund reflect its interest in the pooled cash. Any deficiencies in cash of individual funds represent liabilities to other funds for cash borrowed. Cash includes amounts in demand deposits and interest-bearing demand deposits, and time deposit accounts. Cash equivalents include amounts in time deposits and those investments with original maturities of 90 days or less. Under state law, the District may deposit funds in demand deposits, interest-bearing demand deposits or time deposits with state banks organized under Idaho law and national banks having their principal offices in Idaho.

*Restricted Cash and Investments*

The restricted cash and investments are comprised of restricted deposits for specific program expenditures, unexpended bond proceeds, capital project deposits, and debt services funds that are restricted for use on specifically identified programs, capital projects and debt service payments.

**KIMBERLY SCHOOL DISTRICT No. 414**  
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**NOTES TO FINANCIAL STATEMENTS**  
**JUNE 30, 2019**

**NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – Continued**

*Investments*

Investments are stated at fair value, as determined by quoted market prices, except for any certificates of deposit, which are non-participating contracts, and are therefore carried at amortized cost. Idaho Code provides authorization for the investment of funds as well as to what constitutes an allowable investment. The District policy allows for investment of idle funds consistent with the Idaho State Code 67-1210 and 67-1210A.

The Code limits investments to the following general types:

Certain revenue bonds, general obligation bonds, local improvement district bonds and registered warrants of state and local governmental entities.

Time deposit accounts, tax anticipation and interest-bearing notes.

Bonds, treasury bills, debentures, or other similar obligations of the United States Government and United States Government Agencies.

Repurchase agreements secured by the above.

The Joint Powers Investment Pool was established as a cooperative endeavor to enable public entities of the State of Idaho to aggregate funds for investment. This pooling is intended to improve administrative efficiency and increase investment yield. The Local Government Investment Pool is managed by the State of Idaho Treasurer's office. The funds of the pool are invested in certificates of deposit, repurchase agreements, and U.S. government securities. The certificates of deposit are federally insured. The U.S. government securities and the collateral for the repurchase agreements are held in trust by a safekeeping bank.

An annual audit of Joint Powers Investment Pool ("Pool") is conducted by the State Legislative Auditors Office. The Legislative Auditor of the State of Idaho has full access to the records of the Pool.

**G. Short-term Interfund Receivables and Payables**

During the course of operations, numerous transactions occur between individual funds for services rendered. These receivables and payables are classified as receivable from other funds or payable to other funds on the fund financial statements balance sheet. Short-term interfund loans are classified as interfund receivables/payables.

**H. Deferred Outflows/Inflows of Resources**

In addition to assets, the statement of financial position includes a separate section for deferred outflows of resources. This separate financial statement element, deferred outflows of resources, represents a consumption of net position that applies to a future period(s) and so will not be recognized as an outflow of resources (expense/expenditure) until then. The District has two items that qualify for reporting in this category: the pension obligation and the post-employment obligation (OPEB) reported on the government-wide statement of net position. The pension and OPEB obligations result from changes in the assumptions or other inputs in the actuarial calculation of the District's net pension liability and OPEB asset.

**KIMBERLY SCHOOL DISTRICT No. 414**  
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**JUNE 30, 2019**

**NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – Continued**

In addition to liabilities, the statement of financial position will sometimes report a separate section for deferred inflows of resources. This separate financial statement element represents an acquisition of net position that applies to a future period(s) and so will not be recognized as an inflow of resources (revenue) until that time. The District has two items that qualify for reporting in this category: the employer pension assumption and the OPEB obligation. The employer pension assumption and OPEB obligation results from differences between the expected and actual experience and the net difference between projected and actual earnings on pension plan investments and OPEB investments derived from the actuarial calculation of the District's net pension liability and OPEB liability. On the fund level financial statements, the District has only one item, which arises only under a modified accrual basis of accounting that qualifies for reporting in this category: unavailable revenues from property taxes. These amounts are deferred and recognized as an inflow of resources in the period that the amounts become available.

**I. Capital Assets**

Capital assets, which include land, buildings and improvements, and furniture and equipment, are reported in the government-wide financial statements. The District defines capital assets as assets with an initial, individual cost of more than \$5,000 and an estimated useful life in excess of two years. Purchased or constructed capital assets are reported at cost or estimated historical cost. Donated capital assets are recorded at estimated fair value at the date of donation. The costs of normal maintenance and repairs that do not add to the value of the asset or materially extend the asset's life are not capitalized. Major outlays for capital assets and improvements are capitalized as projects are constructed. Interest incurred during construction is not capitalized.

Buildings and improvements and furniture and equipment of the District are depreciated using the straight-line method over the following estimated useful lives:

<b>Asset</b>	<b>Years</b>
Buildings and improvements	40
Furniture	7
Buses	10

Depreciation expense for buildings, furniture and equipment relate to multiple programs, for which allocating among programs is not easily identifiable. As such, depreciation is not allocated.

**J. Unavailable and Advanced Revenue**

The District reports unavailable and advance revenues on its Statement of Net Position and Fund Balance Sheet. Advanced revenues are reported when resources are received by the District before it has a legal claim to them, as when grant monies are received prior to the occurrence of qualifying expenditures. In subsequent periods, when the District has a legal claim to the resources, the liability for advanced revenue is removed from the combined balance sheet and the revenue is recognized. On the government fund financial statements property taxes that are delinquent are recorded as unavailable revenue since they are not available within 60 days of the fiscal year end; however, in the government-wide financial statements all property taxes are recognized in the year they are measurable.

**K. Salaries and Benefits Payable**

Teaching personnel are paid on contracts that provide monthly payments throughout the year, even though school is not in session during the summer months. Salaries and benefits payable represent payment for teachers that are distributed during July and August, but are for services performed for the year ended June 30, 2019. It also includes an amount for full time administrative employees for vacation earned but not paid at year end.

**KIMBERLY SCHOOL DISTRICT No. 414**  
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**NOTES TO FINANCIAL STATEMENTS**  
**JUNE 30, 2019**

**NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – Continued**

**L. Accrued Liabilities and Long-Term Obligations**

All payables, accrued liabilities and long-term obligations are reported in the government-wide financial statements. Bond premiums and discounts are deferred and amortized over the life of the bonds using the straight-line method, which approximates the effective interest method. Bonds payable are reported net of the applicable bond premium or discount. Bond issuance costs are expensed as incurred.

In fund financial statements, governmental fund types recognize bond premiums and discounts, as well as bond issuance costs, during the current period. The face amount of debt issued and bond premiums are reported as other financing sources, while discounts on debt issuances are reported as other financing uses. Issuance costs, whether or not withheld from the actual debt proceeds received, are reported as debt service expenditures.

**M. Equity and Fund Balance Classifications**

**Equity classifications**

In the District-wide financial statements, equity is classified as net position and displayed in three components:

*Invested in capital assets, net of related debt*—Consists of capital assets, net of accumulated depreciation and reduced by the outstanding balances of any bonds, mortgages, notes or other borrowings that are attributable to the acquisition, construction or improvement of these assets.

*Restricted* - Consists of net assets with constraints placed on their use either by  
(a) external groups such as creditors, grantors, contributors, or laws or regulations of other governments; or (b) imposed by law through constitutional provisions or enabling legislation.

*Unrestricted* - All other net assets that do not meet the definition of “invested in capital assets, net of related debt” or “restricted.”

The District applies restricted resources first when an expense is incurred for purposes for which both restricted and unrestricted net assets are available.

**Fund balance classifications**

The governmental fund financial statements present fund balances based on classifications that comprise a hierarchy that is based primarily on the extent to which the District is bound to honor constraints on the specific purposes for which amounts in the respective governmental funds can be spent. The classifications used in the governmental fund financial statements are as follows:

*Nonspendable Fund Balance* - consists of amounts that are not in a spendable form or are required to be maintained intact.

*Restricted Fund Balance* - consists of amounts that can be spent only for the specific purposes stipulated by external resource providers, constitutionally, or through enabling legislation. The restricted for State Programs and Restricted for Federal Programs balances reflect amounts restricted for specific state and federal programs as mandated by respective state and federal grant or funding agreements. The Restricted for Debt Service balance is to be used for future servicing of the outstanding bonds and are restricted through debt covenants.

**KIMBERLY SCHOOL DISTRICT No. 414**  
**KIMBERLY, IDAHO**  
**NOTES TO FINANCIAL STATEMENTS**  
**JUNE 30, 2019**

**NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – Continued**

The Restricted for Capital Projects balance reflect amounts that are restricted for construction or other capital outlay projects.

*Committed Fund Balance*—consists of amounts that can be used only for the specific purposes pursuant to constraints imposed by formal action of the District Board. These amounts cannot be used for any other purpose unless the District Board removes or changes the specified use by taking the same type of action that was employed when the funds were initially committed.

*Assigned Fund Balance*—consists of amounts that are constrained by the District’s intent to be used for a specific purpose but are neither restricted nor committed. This intent can be expressed by the District’s Board or Superintendent.

*Unassigned Fund Balance*—consists of any remaining fund balance that has not been reported in any other classification.

For the purposes of fund balance classification, the District’s policy is to have expenditures spent from the restricted fund balances first, followed in order by committed fund balance (if any), assigned fund balance (if any) and last unassigned fund balance.

**N. Interfund Transfers**

Quasi-external transactions are accounted for as revenues, expenditures, or expenses. Transactions that constitute reimbursements to a fund for expenditures/expenses initially made from it that are properly applicable to another fund are recorded as expenditures/expenses in the reimbursing fund and as reductions of expenditures/expenses in the fund that is reimbursed.

All other interfund transactions, except quasi-external transactions and reimbursement, are reported as transfers.

**O. Pensions**

For purposes of measuring the net pension liability and pension expense, information about the fiduciary net position of the Public Employee Retirement System of Idaho Base Plan ( Base Plan) and additions to/deductions from Base Plan’s fiduciary net position have been determined on the same basis as they are reported by the Base Plan. For this purpose, benefit payments (including refunds of employee contributions) are recognized when due and payable in accordance with the benefit terms. Investments are reported at fair value.

**P. Other Post-Employment Benefits-Health and Dental**

The District does not provide benefits to retired employees other than retirement benefits funded through the Public Employees Retirement System of Idaho. However, certain retired employees can remain on the School insurance policy after retirement if the retired employee pays the average monthly cost. The difference between the age-adjusted monthly cost and the average cost is referred to as an “implicit subsidy” since the medical insurance rate of a retired employee is generally higher than the medical insurance rate of a younger employee. GASB 75 requires that employers have actuarial calculations performed for these other post-employment benefits so that liabilities and related expenses can be recorded in the government-wide financial statements and related notes and required supplementary information can be prepared. Management believes the costs of implementing GASB 75 cannot be justified at this time. Accordingly, the District accounts for the other post-employment benefits for retirees on the pay-as-you-go basis.

**KIMBERLY SCHOOL DISTRICT No. 414**  
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**JUNE 30, 2019**

**NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – Continued**

**Q. Other Post-Employment Benefits (OPEB)-PERSI Sick Leave**

For purposes of measuring the net OPEB asset, deferred outflows of resources and deferred inflows of resources related to OPEB, and OPEB expense;(expense offset), information about the fiduciary net position of the Public Employee Retirement System of Idaho (PERSI or System) Sick Leave Insurance Reserve Fund and additions to/deductions from Sick Leave Insurance Reserve Fund's fiduciary net position have been determined on the same basis as they are reported by the Sick Leave Plan. For this purpose, benefit payments are recognized when due and payable in accordance with the benefit terms. Investments are reported at fair value.

**R. Property Taxes**

Property tax revenues are recognized when received or, if received within the two-month period subsequent to year-end, are accrued on the fund financial statements. Property tax revenues are recognized when levied with appropriate accrual made at year-end on the government-wide financial statements. The District's property taxes, levied on the Thursday prior to the second Monday in September on a market value basis, are billed to the taxpayers in November. Half of the real, personal, and mobile home property taxes are due on December 20 and the remainder is due the following June 20. Occupancy taxes are due December 20. Real property taxes not paid constitute a lien on the property when entered on the real property assessment roll as delinquent on the first day of January of the succeeding year.

Delinquent property tax receivable is recognized as revenue in the government-wide financial statements. Only the portion that meets the revenue recognition criteria is recognized as revenue on the fund financial statements. Under State law, county governments are responsible for extending authorized property tax levies, computing tax rates, billing and collecting all property taxes, and making periodic distributions of collections to entities levying taxes. Twin Falls County bill and collect property taxes for the District.

Historically, virtually all ad valorem taxes receivable were collected since they are secured by property; therefore, there is no material allowance for uncollectible taxes.

**S. Elimination and Reclassifications**

In the process of aggregating data for the Statement of Net Position and the Statement of Activities, some amounts reported as interfund activity and balances in the funds were eliminated or reclassified. Interfund receivables and payables were eliminated to minimize the "grossing up" effect on assets and liabilities within the governmental activities column.

**T. Grants and Other Intergovernmental Revenues**

Federal and state reimbursement-type grants are recorded as intergovernmental revenues when the related expenditures/expenses are incurred and, in governmental funds, when the revenues meet the availability criterion. For programs that are supported by multiple funding sources, federal and state grant monies are applied to expenditures first.

**U. Encumbrances**

Purchase orders, contracts, and other commitments for the expenditure of funds are considered to be encumbrances for budgeting control purposes during the year. Outstanding encumbrances at year-end do not constitute expenditures and are either charged to an appropriation the following year or the contractual commitment is canceled.

**V. Nonmonetary Transactions**

Items received via food commodities programs are recognized at their stated fair market value.

**KIMBERLY SCHOOL DISTRICT No. 414**  
**KIMBERLY, IDAHO**  
**NOTES TO FINANCIAL STATEMENTS**  
**JUNE 30, 2019**

**NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - Continued**

**W. Estimates**

Management uses estimates and assumptions in preparing financial statements. Those estimates and assumptions affect the reported amounts of assets and liabilities, the disclosure of contingent assets and liabilities, and reported revenues and expenses. It is at least reasonably possible that the significant estimates used will change within the next year.

**X. Budgets**

Budgets are adopted on a basis consistent with generally accepted accounting principles. Annual appropriated budgets are adopted for all governmental fund types.

**NOTE 2 – CASH AND INVESTMENTS**

At June 30, 2019 the District's cash and investments, excluding trust and agency funds, consisted of the following:

	<b>Carrying Amounts</b>	<b>Bank Deposit Balance</b>
Cash and Equivalents:		
Insured or collateralized	\$ 341,318	\$ 362,246
Uninsured or uncollateralized	924,615	945,247
Total Deposits	<u>\$ 1,265,933</u>	<u>\$ 1,307,493</u>

<b>Investments:</b>	<b>Rating</b>	<b>Duration</b>	<b>Fair Value</b>
State Treasurer's Local			
Government Investment Pool	Unrated	88 Days	\$2,025,559
US Treasury Time Deposits			348,141
Total Investments			<u>\$2,373,700</u>

**Investments Restricted**

Investments restricted amounts include funds put into the mandatory sinking fund for the Series 2013B General Obligation Bonds. These funds will be used to pay off the debt.

**Custodial Credit Risk**

Custodial credit risk for deposits is the risk that, in the event of the failure of a depository financial institution, the District will not be able to recover the value of its deposits or will not be able to recover collateral securities that are in the possession of an outside party. The custodial credit risk for investments is the risk that in the event of the failure of the counterparty (e.g. broker-dealer) to a transaction, the District will not be able to recover the value of its investment or collateral securities that are in the possession of another part. The District does not have a policy restricting the amount of deposits and investments subject to custodial credit risk.

The District minimizes exposure to custodial credit risk by requiring that investments, to the extent possible, be identified as to the Kimberly School District ownership and be held in the District's name.



**KIMBERLY SCHOOL DISTRICT No. 414**  
**KIMBERLY, IDAHO**  
**NOTES TO FINANCIAL STATEMENTS**  
**JUNE 30, 2019**

**NOTE 2 – CASH AND INVESTMENTS – Continued**

**Credit Risk**

Credit risk is the risk that an issuer of debt securities or counterparty to an investment will not fulfill its obligation. It is commonly expressed in terms of the credit quality rating issued by a nationally recognized statistical rating organization such as Moody's, Standard & Poor's and Fitch's. The investments of the District are not rated and the District's policy does not restrict them to rated investments. Most of the Investments of the District as of June 30, 2019, are invested in the LGIP which is not required to be rated.

**Interest Rate Risk**

Interest rate risk is the risk that changes in market interest rates will adversely impact the fair value of an investment. Investments that are fixed for longer periods are likely to experience greater variability in their fair values due to future changes in interest rates. At June 30, 2019, the District is not subject to interest rate risk as all investments are held in the LGIP and certificates of deposits, which have short maturities. The District does not have a policy concerning interest rate risk.

**Concentration of Credit Risk**

When investments are concentrated in one issuer, this concentration represents heightened risk of potential loss. No specific percentage identifies when concentration risk is present. The Governmental Accounting Standards Board has adopted a principle that governments should provide not disclosure when 5% of the total entities investments are concentrated in any one issuer. Investments in obligations specifically guaranteed by the U.S. government, mutual funds, and other pooled investments are exempt from disclosure. The District has no policy limiting the amount it may invest in any one issuer.

**NOTE 3 – INTERFUND RECEIVABLES, PAYABLES AND INTERFUND TRANSFERS**

At June 30, 2019 the composition of interfund balances are as follows:

<u>Receivable Funds</u>	<u>Payable Funds</u>	
General	Title I-A	\$ 29,348
	Perkins	14,537
	Title I-C Migrant	3,484
	Driver's Ed	1,033
	IDEA School Age	42,772
	IDEA Preschool	1,369
	Technology	32,972
	Title II-A	5,081
	Title IV	<u>2,493</u>
	Total	<u>\$ 133,089</u>

The balances resulted from loans made to cover operating cash deficits. The amounts are shown on the balance sheet as deficit in pooled cash.

The following operating transfers occurred during the fiscal year:

<u>Transfers in</u>		<u>Transfers Out</u>
Capital Projects	\$ 64,060	General <u>\$ 806,057</u>
Technology	186,285	
Child Nutrition	4,830	
Special Ed. Billing	<u>550,882</u>	
Total	<u>\$ 806,057</u>	

**KIMBERLY SCHOOL DISTRICT No. 414**  
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**NOTES TO FINANCIAL STATEMENTS**  
**JUNE 30, 2019**

**NOTE 4 – DUE FROM OTHER AGENCIES AND UNITS OF GOVERNMENTS**

Amounts due from other agencies and units of government were as follows as of June 30, 2019:

State agencies	\$ 629,249
County agencies	<u>660,855</u>
Total	<u>\$ 1,290,104</u>

**NOTE 5 – UNAVAILABLE AND ADVANCED REVENUES**

Revenues are considered unavailable in accordance with the modified accrual basis of accounting for the fund financial statements. The following revenues are measurable but do not represent available expendable resources for the Fund Financial Statements or were received in advance before the District has legal claim to them for the fiscal year ended June 30, 2019:

	<u>General Fund</u>	<u>Debt Service</u>	<u>Capital Projects</u>	<u>Total</u>
Delinquent taxes	<u>\$ 6,358</u>	<u>\$ 27,249</u>	<u>\$ 6,425</u>	<u>\$ 40,032</u>

**NOTE 6 - CAPITAL ASSETS**

The following presents a summary of activity in the capital assets as follows:

	<u>Balance July 1, 2018</u>	<u>Additions</u>	<u>Deletions</u>	<u>Balance June 30, 2019</u>
<b>Land</b>	\$ 280,122	\$ 367,906		\$ 648,028
<b>Buildings</b>				
Elementary	4,680,971	10,942,196		15,623,167
Secondary	15,401,139	41,822		15,442,961
Other	3,443,034			3,443,034
Transportation	75,000			75,000
Maintenance	<u>162,695</u>	<u>-</u>	<u>-</u>	<u>162,695</u>
<b>Total Buildings</b>	23,762,839	10,984,018	-	34,746,857
<b>Equipment and Other</b>	668,166	18,621	-	686,787
<b>Transportation Equip.</b>	<u>1,450,704</u>	<u>106,987</u>	<u>-</u>	<u>1,557,691</u>
<b>Total Capital Assets</b>	26,161,831	11,477,532	-	37,639,363
Accum. Depreciation	<u>(10,104,563)</u>	<u>(957,662)</u>	<u>-</u>	<u>(11,062,225)</u>
<b>Net Capital Assets</b>	<u>\$ 16,057,268</u>	<u>\$10,519,870</u>	<u>\$ -</u>	<u>\$ 26,577,138</u>

**KIMBERLY SCHOOL DISTRICT No. 414**  
**KIMBERLY, IDAHO**  
**NOTES TO FINANCIAL STATEMENTS**  
**JUNE 30, 2019**

**NOTE 7 - GENERAL OBLIGATION BONDS**

The following is a summary of bond transactions of the District for the year ended June 30, 2019:

	<u>June 30, 2018</u>	<u>Issuance</u>	<u>Payments</u>	<u>June 30, 2019</u>
2013 Series A	\$ 1,500,000	\$ -	\$ -	\$ 1,500,000
2013 Series B	1,485,000	-	-	1,485,000
2016 Series A	10,280,000	-	(425,000)	9,855,000
2016 Refunding Bonds	8,055,000	-	(235,000)	7,820,000
2018 Series	<u>2,695,000</u>	<u>-</u>	<u>(525,000)</u>	<u>2,170,000</u>
Total	<u>\$ 24,015,000</u>	<u>\$ -</u>	<u>\$ (1,185,000)</u>	<u>\$ 22,830,000</u>

On August 1, 2013, the District issued General Obligation Bonds, Series 2013(A) (Tax-Exempt in the amount of \$1,500,000 , and General Obligation Bonds, Series 2013 B (Taxable QSCB-Direct Pay Subsidy) in the amount of \$1,485,000 The funds will be used to finance the costs of renovations and improvements to the historic L.A. Thomas Gymnasium, to complete the Sports Complex, construction of technology classrooms and other improvements to facilities throughout the District, and acquisition of related equipment for such school facilities.

In August 2016, the District issued General Obligation Bonds, Series 2016A in the amount of \$10,660,000. The funds are being used for the construction of a new elementary school, repairs and renovations and to purchase land for future school sites.

In August 2016, the District issued General Obligation Refunding Bonds, Series 2016B in the amount of \$8,055,000. The funds were used to refund the Series 2007 Bonds.

In February 2018, the District issued General Obligation Bonds, Series 2018 (Bank Qualified). The Bonds were issued for the purpose of financing the costs of acquiring, constructing, equipping and furnishing a new elementary school, including all relevant lighting, heating, ventilation and sanitation facilities and appliances necessary to maintain and operate the building and facilities. The Bonds were issued to also repair and renovate the existing Kimberly Elementary School and to purchase land for future school sites and to repay the costs of issuance of the Bonds (the "Project").

The District previously issued its General Obligation Bonds, Series 2016A, dated August 30, 2016 (the "Series 2016A Bonds"). The Series 2016A Bond proceeds provided \$11,245,000 in funds for the purpose of financing the Project. The Bonds represent the remaining authorization from the 2016 Authorizing Election.

**KIMBERLY SCHOOL DISTRICT No. 414**  
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**NOTES TO FINANCIAL STATEMENTS**  
**JUNE 30, 2019**

**NOTE 7 - GENERAL OBLIGATION BONDS-Continued**

General obligation bonds payable as of June 30, 2019 consist of the following:

Series 2013A General Obligation Bonds in the original principal amount of \$1,500,000 maturing September 15, 2029. Principal payments are due on September 15, 2028 and 2029. Interest is payable semi-annually on March 15, and September 15 of each year. The interest rates on the bonds is 4.25%.

\$ 1,500,000

Series 2013B General Obligation Bonds in the original principal amount of \$1,485,000 maturing on August 15, 2030. One principal payment is due on September 15, 2030. Interest is payable semi-annually on March 15, and September 15 of each year. The interest rate on the bond is 5.036%. The terms of the bond require annual mandatory sinking fund installments of \$10,000 per year and two installments of \$780,000 and \$555,000 in 2029 and 2030 respectively.

1,485,000

2016A General Obligation Bonds in the original principal amount of \$9,860,000 maturing through September 1, 2027. Principal payments are due annually on September 15, and interest is payable semi-annually on March 15, and September 15 of each year. Interest rates on the bonds range from 3.75% to 5% on the outstanding bonds.

9,855,000

Series 2007A General Obligation Bonds in the original principal amount of \$9,860,000 maturing through September 1, 2027. Principal payments are due annually on September 15, and interest is payable semi-annually on March 15, and September 15 of each year. Interest rates on the bonds range from 3.75% to 5% on the outstanding bonds.

7,820,000

Series 2018 General Obligation Bonds in the original principal amount of \$2,695,000 maturing through September 15, 2037. Principal payments are due annually on September 15, and interest is payable semi-annually on March 15, and September 15 of each year. Interest rates on the bonds range from 3% to 5% on the outstanding bonds.

2,170,000

\$ 22,830,000

**KIMBERLY SCHOOL DISTRICT No. 414**  
**KIMBERLY, IDAHO**  
**NOTES TO FINANCIAL STATEMENTS**  
**JUNE 30, 2019**

**NOTE 7 - GENERAL OBLIGATION BONDS-Continued**

The annual requirements to pay principal and interest on outstanding general obligation bonds payable are as follows:

Year Ended June 30,	2013 Series A	2013 Series B	2016 Series A	2016 Series B	2018 Series	Total	Interest	Total
2020	\$ -	\$ 10,000	\$ -	540,000	420,000	\$ 970,000	779,304	\$ 1,749,304
2021	-	10,000	-	790,000	65,000	865,000	747,228	1,612,228
2022	-	10,000	-	835,000	70,000	915,000	719,479	1,634,479
2023	-	10,000	-	880,000	75,000	965,000	690,128	1,655,128
2024	-	10,000	-	930,000	80,000	1,020,000	659,104	1,679,104
2025-2029		50,000	150,000	3,845,000	445,000	4,490,000	2,761,158	7,251,158
2030-2034	1,500,000	1,385,000	5,035,000	-	530,000	8,450,000	1,393,941	9,843,941
2035-2038	-	-	4,670,000	-	485,000	5,155,000	206,269	5,361,269
<b>Total</b>	<b>\$ 1,500,000</b>	<b>\$ 1,485,000</b>	<b>\$ 9,855,000</b>	<b>\$ 7,820,000</b>	<b>\$ 2,170,000</b>	<b>\$ 22,830,000</b>	<b>\$ 7,956,611</b>	<b>\$ 30,786,611</b>

**NOTE 8 – CAPITAL LEASES**

As of June 30, 2019, the District has several capital lease obligations for several busses. Total minimum lease payments are as follows:

Year Ended June 30,	Principal	Interest	Total
2020	\$ 86,038	\$ 7,876	\$ 93,914
2021	88,706	5,207	93,913
2022	43,080	2,454	45,534
2023	22,224	864	23,088
<b>Total</b>	<b>\$ 240,048</b>	<b>\$ 16,401</b>	<b>\$ 256,449</b>

**KIMBERLY SCHOOL DISTRICT No. 414**  
**KIMBERLY, IDAHO**  
**NOTES TO FINANCIAL STATEMENTS**  
**JUNE 30, 2019**

**NOTE 9 – PENSION PLAN**

The District contributes to the Base Plan which is a cost-sharing multiple-employer defined benefit pension plan administered by Public Employee Retirement System of Idaho (PERSI or System) that covers substantially all employees of the State of Idaho, its agencies and various participating political subdivisions. The cost to administer the plan is financed through the contributions and investment earnings of the plan. PERSI issues a publicly available financial report that includes financial statements and the required supplementary information for PERSI. That report may be obtained on the PERSI website at [www.persi.idaho.gov](http://www.persi.idaho.gov). Responsibility for administration of the Base Plan is assigned to the Board comprised of five members appointed by the Governor and confirmed by the Idaho Senate. State law requires that two members of the Board be active Base Plan members with at least ten years of service and three members who are Idaho citizens not members of the Base Plan except by reason of having served on the Board.

*Pension Benefits*

The Base Plan provides retirement, disability, death and survivor benefits of eligible members or beneficiaries. Benefits are based on members' years of service, age, and highest average salary. Members become fully vested in their retirement benefits with five years of credited service (5 months for elected or appointed officials). Members are eligible for retirement benefits upon attainment of the ages specified for their employment classification. The annual service retirement allowance for each month of credited service is 2.0% (2.3% for police/firefighters) of the average monthly salary for the highest consecutive 42 months.

The benefit payments for the Base Plan are calculated using a benefit formula adopted by the Idaho Legislature. The Base Plan is required to provide a 1% minimum cost of living increase per year provided the Consumer Price Index increases 1% or more. The PERSI Board has the authority to provide higher cost of living increases to a maximum of the Consumer Price Index movement or 6%, whichever is less; however, any amount above the 1% minimum is subject to review by the Idaho Legislature.

*Member and Employer Contributions*

Member and employer contributions paid to the Base Plan are set by statute and are established as a percent of covered compensation. Contribution rates are determined by the PERSI Board within limitations, as defined by state law. The Board may make periodic changes to employer and employee contribution rates (expressed as percentages of annual covered payroll) that are adequate to accumulate sufficient assets to pay benefits when due.

The contribution rates for employees are set by statute at 60% of the employer rate for general employees and 72% for police and firefighters. As of June 30, 2018, it was 6.79% for general employees and 8.36% for police and firefighters. The employer contribution rate as a percent of covered payroll is set by the Retirement Board and was 11.32% for general employees and 11.66% for police and firefighters. The District's contributions were \$857,131 for the year ended June 30, 2018.

*Pension Liabilities, Pension Expense (Revenue), and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions*

At June 30, 2019, the District reported a liability for its proportionate share of the net pension liability. The net pension liability was measured as of June 30, 2018, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of that date. The District's proportion of the net pension liability was based on the District's share of contributions in the Base Plan pension plan relative to the total contributions of all participating PERSI Base Plan employers. At June 30, 2018, the District's proportion was 0.002353427 percent.

**KIMBERLY SCHOOL DISTRICT No. 414**  
**KIMBERLY, IDAHO**  
**NOTES TO FINANCIAL STATEMENTS**  
**JUNE 30, 2019**

**NOTE 9 – PENSION PLAN – Continued**

For the year ended June 30, 2019, the District recognized pension expense (revenue) of (\$250,477). At June 30, 2019, the District reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Differences between expected and actual experience	\$ 381,055	\$ 262,171
Changes in assumptions or other inputs	225,880	-
Net difference between projected and actual earnings on pension plan investments	-	385,686
Changes in the District's proportion and differences between the District's contributions and the District's proportionate contributions	(92,488)	(118,551)
The District's contributions subsequent to the measurement date	<u>905,124</u>	<u>-</u>
Total	<u>\$ 1,419,571</u>	<u>\$ 529,306</u>

\$905,124 reported as deferred outflows of resources related to pensions resulting from the District contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability in the year ending June 30, 2019.

The average of the expected remaining service lives of all employees that are provided with pensions through the System (active and inactive employees) determined at July 1, 2017 the beginning of the measurement period ended June 30, 2018 is 4.9 and 5.5 for the measurement period June 30, 2018.

Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense (revenue) as follows:

Year ended  
June 30,

2019	\$ 282,176
2020	\$ 33,249
2021	\$ (284,452)
2022	\$ (71,895)

**KIMBERLY SCHOOL DISTRICT No. 414**  
**KIMBERLY, IDAHO**  
**NOTES TO FINANCIAL STATEMENTS**  
**JUNE 30, 2019**

**NOTE 9 – PENSION PLAN – Continued**

*Actuarial Assumptions*

Valuations are based on actuarial assumptions, the benefit formulas, and employee groups. Level percentages of payroll normal costs are determined using the Entry Age Normal Cost Method. Under the Entry Age Normal Cost Method, the actuarial present value of the projected benefits of each individual included in the actuarial valuation is allocated as a level percentage of each year's earnings of the individual between entry age and assumed exit age. The Base Plan amortizes any unfunded actuarial accrued liability based on a level percentage of payroll. The maximum amortization period for the Base Plan permitted under Section 59-1322, Idaho Code, is 25 years.

The total pension liability in the June 30, 2017 actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement:

Inflation	3.25%
Salary increases	4.25 – 10.00%
Salary inflation	3.75%
Investment rate of return	7.10%, net of investment expenses
Cost-of-living adjustments	1%

Mortality rates were based on the RP – 2000 combined table for healthy males or females as appropriate with the following offsets:

- \* Set back 3 years for teachers
- \* No offset for male fire and police
- \* Forward one year for female fire and police
- \* Set back one year for all general employees and all beneficiaries

An experience study was performed for the period July 1, 2007 through June 30, 2013 which reviewed all economic and demographic assumptions other than mortality. Mortality and all economic assumptions were studied in 2014 for the period from July 1, 2009 through June 30, 2013. The Total Pension Liability as of June 30, 2018 is based on the results of an actuarial valuation date July 1, 2018.

The long-term expected rate of return on pension plan investments was determined using the building block approach and a forward-looking model in which best estimate ranges of expected future real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighing the expected future real rates of return by the target asset allocation percentage and by adding expected inflation.

Even though history provides a valuable perspective for setting the investment return assumption, the System relies primarily on an approach which builds upon the latest capital market assumptions. Specifically, the System uses consultants, investment managers and trustees to develop capital market assumptions in analyzing the System's asset allocation. The assumptions and the System's formal policy for asset allocation are shown below. The formal asset allocation policy is somewhat more conservative than the current allocation of System's assets.

The best-estimate range for the long-term expected rate of return is determined by adding expected inflation to expected long-term real returns and reflecting expected volatility and correlation. The capital market assumptions are as of January 1, 2017.



**KIMBERLY SCHOOL DISTRICT No. 414**  
**KIMBERLY, IDAHO**  
**NOTES TO FINANCIAL STATEMENTS**  
**JUNE 30, 2019**

**NOTE 9 – PENSION PLAN – Continued**

**Capital Market Assumptions**

<b>Asset Class</b>	<b>Expected Return</b>	<b>Expected Risk</b>	<b>Strategic Normal</b>	<b>Strategic Ranges</b>
Equities			70%	66% - 77%
Broad Domestic Equity	9.15%	19.00%	55%	50% - 65%
International	9.25%	20.20%	15%	10% - 20%
Fixed Income	3.05%	3.75%	30%	23% - 33%
Cash	2.25%	0.90%	0%	0% - 5%
	<b>Expected Return</b>	<b>Expected Inflation</b>	<b>Expected Real Return</b>	<b>Expected Risk</b>
<b>Total Fund</b>				
Actuary	7.00%	3.25%	3.75%	N/A
Portfolio	6.58%	2.25%	4.33%	12.67%

\* Expected arithmetic return net of fees and expenses

**Actuarial Assumptions:**

Assumed Inflation - Mean	3.25%
Assumed Inflation -Standard Deviation	2.00%
Portfolio Arithmetic Mean Return	8.42%
Portfolio Long-Term Expected Geometric Rate of Return	7.50%
Assumed Investment Expenses	<u>0.40%</u>
<b>Long-Term Expected Geometric Rate of Return, Net of Investment Expenses</b>	<b><u>7.10%</u></b>

*Discount Rate*

The discount rate used to measure the total pension liability was 7.10%. The projection of cash flows used to determine the discount rate assumed that contributions from plan members will be made at the current contribution rate. Based on these assumptions, the pension plans' net position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability. The long-term expected rate of return was determined net of pension plan investment expense but without reduction for pension plan administrative expense.

**KIMBERLY SCHOOL DISTRICT No. 414**  
**KIMBERLY, IDAHO**  
**NOTES TO FINANCIAL STATEMENTS**  
**JUNE 30, 2019**

**NOTE 9 – PENSION PLAN – Continued**

*Sensitivity of the District's proportionate share of the net pension liability to changes in the discount rate.*

The following presents the District's proportionate share of the net pension liability calculated using the discount rate of 7.10 percent, as well as what the District's proportionate share of the net pension liability would be if it were calculated using a discount rate that is 1-percentage-point lower (6.10 percent) or 1-percentage-point higher (8.10 percent) than the current rate:

	<b>1% Decrease</b>	<b>Current</b>	<b>1% Increase</b>
	<b>(6.10%)</b>	<b>Discount Rate</b>	<b>(8.10%)</b>
	<b>(6.10%)</b>	<b>(7.10%)</b>	<b>(8.10%)</b>
District's proportionate share of the net pension liability (asset)	\$ 8,689,564	\$ 3,096,850	\$ (849,553)

*Pension plan fiduciary net position*

Detailed information about the pension plan's fiduciary net position is available in the separately issued PERSI financial report.

PERSI issues a publicly available financial report that includes financial statements and the required supplementary information for PERSI. That report may be obtained on the PERSI website at [www.persi.idaho.gov](http://www.persi.idaho.gov).

**NOTE 10 - OPEB PLAN-PERSI SICK LEAVE**

*Plan Description*

The District contributes to the Sick Leave Insurance Reserve Fund (Sick Leave Plan) which is a cost-sharing multiple-employer defined benefit OPEB plan that covers members receiving retirement benefits that are administered by PERSI that covers substantially all employees of the State of Idaho, its agencies and various participating political subdivisions. The cost to administer the plan is financed through the contributions and investment earnings of the plan. PERSI issues a publicly available financial report that includes financial statements and the required supplementary information for the Sick Leave Plan. That report may be obtained on the PERSI website at [www.persi.idaho.gov](http://www.persi.idaho.gov).

Responsibility for administration of the Sick Leave Plan is assigned to the Board comprised of five members appointed by the Governor and confirmed by the Idaho Senate. State law requires that two members of the Board be active Base Plan members with at least ten years of service and three members who are Idaho citizens not members of the Base Plan except by reason of having served on the Board.

*OPEB Benefits*

Group retiree health, dental, accident, and life insurance premiums may qualify as a benefit. Retirees who have a sick leave account can use their balance as a credit towards these premiums paid directly to the applicable insurance company.

**KIMBERLY SCHOOL DISTRICT No. 414**  
**KIMBERLY, IDAHO**  
**NOTES TO FINANCIAL STATEMENTS**  
**JUNE 30, 2019**

**NOTE 10 - OPEB PLAN-PERSI SICK LEAVE – Continued**

*Employer Contributions*

The contribution rate for employers are set by statute at .065% of covered compensation for state members. Covered school members contribution rates are set by statute based on the number of sick days offered by the employer. The contribution rate of 1.16% for school members with nine or ten sick days, 1.26% for school members with 11-14 sick days. If a school member has more than 14 days of sick leave then the contribution rate will be set by the PERSI Retirement Board based on current cost and actuarial data and reviewed annually. The District's contributions were \$87,833 for the year ended June 30, 2018.

*OPEB Liabilities, OPEB Expense (Expense Offset), and Deferred Outflows of Resources and Deferred Inflows of Resources Related to OPEB*

At June 30, 2019, the District reported an asset for its proportionate share of the net OPEB asset. The net OPEB asset was measured as of June 30, 2018, and the total OPEB liability used to calculate the net OPEB asset was determined by an actuarial valuation as of that date. The District's proportion of the net OPEB asset was based on the District's share of contributions relative to the total contributions of all participating Sick Leave employers. At June 30, 2018, the District's proportion was .005631618 percent.

For the year ended June 30, 2019, the District recognized OPEB expense (expense offset) of (\$67,187). \$92,734 reported as deferred outflows of resources related to OPEBs resulting from Employer contributions subsequent to the measurement date will be recognized as a reduction of the net OPEB asset in the year ending June 30, 2019.

*Actuarial Assumptions*

Valuations are based on actuarial assumptions, the benefit formulas, and employee groups. The Sick Leave Plan amortizes any net OPEB asset based on a level percentage of payroll. The maximum amortization period for the Sick Leave Plan permitted under Section 59-1322, Idaho Code, is 25 years.

The total OPEB liability in the June 30, 2018 actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement:

Inflation	3.25%
Salary increases	3.75%
Salary inflation	3.75%
Investment rate of return	7.05%, net of investment expenses

The long-term expected rate of return on OPEB plan investments was determined using the building block approach and a forward-looking model in which best estimate ranges of expected future real rates of return (expected returns, net of OPEB plan investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighing the expected future real rates of return by the target asset allocation percentage and by adding expected inflation.

Even though history provides a valuable perspective for setting the investment return assumption, the System relies primarily on an approach which builds upon the latest capital market assumptions. Specifically, the System uses consultants, investment managers and trustees to develop capital market assumptions in analyzing the System's asset allocation. The assumptions and the System's formal policy for asset allocation are shown below. The formal asset allocation policy is somewhat more conservative than the current allocation of System's assets.

The best-estimate range for the long-term expected rate of return is determined by adding expected inflation to expected long-term real returns and reflecting expected volatility and correlation.

**KIMBERLY SCHOOL DISTRICT No. 414  
KIMBERLY, IDAHO  
NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2019**

**NOTE 10 - OPEB PLAN-PERSI SICK LEAVE – Continued**

**Capital Market Assumptions**

<b>Asset Class</b>	<b>Expected Return</b>	<b>Expected Risk</b>	<b>Strategic Normal</b>	<b>Strategic Ranges</b>
Equities			70%	66% - 77%
Broad Domestic Equity	9.15%	19.00%	55%	50% - 65%
International	9.25%	20.20%	15%	10% - 20%
Fixed Income	3.05%	3.75%	30%	23% - 33%
Cash	2.25%	0.90%	0%	0% - 5%
	<b>Expected Return</b>	<b>Expected Inflation</b>	<b>Expected Real Return</b>	<b>Expected Risk</b>
<b>Total Fund</b>				
Actuary	7.00%	3.25%	3.75%	N/A
Portfolio	6.58%	2.25%	4.33%	12.67%

\* Expected arithmetic return net of fees and expenses

**Actuarial Assumptions:**

Assumed Inflation - Mean	2.25%
Assumed Inflation -Standard Deviation	1.50%
Portfolio Arithmetic Mean Return	6.75%
Portfolio Long-Term Expected Geometric Rate of Return	6.13%
Assumed Investment Expenses	<u>0.40%</u>
<b>Long-Term Expected Geometric Rate of Return, Net of Investment Expenses</b>	<b><u>5.73%</u></b>

*Discount Rate*

The discount rate used to measure the total OPEB liability was 7.05%. The projection of cash flows used to determine the discount rate assumed that contributions from plan members will be made at the current contribution rate. Based on these assumptions, the OPEB plan's net position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on OPEB plan investments was applied to all periods of projected benefit payments to determine the total OPEB liability. The long-term expected rate of return was determined net of OPEB plan investment expense but without reduction for OPEB plan administrative expense.

**KIMBERLY SCHOOL DISTRICT No. 414**  
**KIMBERLY, IDAHO**  
**NOTES TO FINANCIAL STATEMENTS**  
**JUNE 30, 2019**

**NOTE 10 - OPEB PLAN-PERSI SICK LEAVE – Continued**

*Sensitivity of the net OPEB asset to changes in the discount rate.*

The following presents the Employer's proportionate share of the net OPEB asset calculated using the discount rate of 7.05 percent, as well as what the Employer's proportionate share of the net OPEB asset would be if it were calculated using a discount rate that is 1-percentage-point lower (6.05 percent) or 1-percentage-point higher (8.05 percent) than the current rate:

	<b>1% Decrease</b>	<b>Current</b>	<b>1% Increase</b>
	<b>(6.05%)</b>	<b>Discount Rate</b>	<b>(8.05%)</b>
	<b>(6.05%)</b>	<b>(7.05%)</b>	<b>(8.05%)</b>
District's proportionate share of the net OPEB liability (asset)	\$ (412,447)	\$ (453,844)	\$ (518,455)

*OPEB plan fiduciary net position*

Detailed information about the OPEB plan's fiduciary net position is available in the separately issued PERSI financial report.

PERSI issues a publicly available financial report that includes financial statements and the required supplementary information for PERSI. That report may be obtained on the PERSI website at [www.persi.idaho.gov](http://www.persi.idaho.gov).

**NOTE 11 – ADOPTION OF NEW STANDARD**

As of July 1, 2018, the District adopted GASB Statement no. 75, Accounting and Financial Reporting for Other Post-Employment Benefits (OPEB)-PERSI Sick Leave. The implementation of this standard requires governments to calculate and report the cost and obligations associated with the net OPEB liability in their financial statements, including additional note disclosures and required supplementary information. Beginning net position was restated to retroactively report the beginning net OPEB asset. The restatement of net position is identified as follows:

Beginning net position as previously reported at June 30, 2018	\$ 5,644,175
Restatement - Implementation of GASB 75	
Net OPEB (PERSI Sick Leave) asset	419,030
Deferred outflow - contributions after measurement date	87,833
Total prior period adjustment	<u>506,863</u>
Beginning net position, restated	<u>\$ 6,151,038</u>

**NOTE 12– EXCESS OF EXPENDITURES OVER APPROPRIATIONS**

For the fund year ended June 30, 2019, expenditures did not exceeded appropriations in any of the funds.

**KIMBERLY SCHOOL DISTRICT No. 414**  
**KIMBERLY, IDAHO**  
**NOTES TO FINANCIAL STATEMENTS**  
**JUNE 30, 2019**

**NOTE 13 – FUND BALANCE AND NET POSITION DEFICITS**

Fund deficits as of June 30, 2019 included the Technology Fund of \$18,312.

**NOTE 14 – RISK FROM LOSSES/CONTINGENT LIABILITIES**

The District is not aware of any pending or threatened litigation that would adversely affect the District. The District purchases commercial insurance to protect assets from losses from workmen's compensation claims, fire and casualty, general liability and fidelity losses.

The District has received several Federal/State grants for specific purposes that were subject to review and audit of the compliance conditions of each program. This audit found no elements of non-compliance with terms and conditions of the individual programs.

**NOTE 15 – SUBSEQUENT EVENTS**

The District has evaluated subsequent events through October 14, 2019, the date which the financial statements were available to be issued.

## **REQUIRED SUPPLEMENTARY INFORMATION**

**KIMBERLY SCHOOL DISTRICT  
KIMBERLY, IDAHO  
GENERAL FUND  
COMBINING STATEMENT OF REVENUES, EXPENDITURES AND  
CHANGES IN FUND BALANCES - BUDGET AND ACTUAL  
FOR THE YEAR ENDED JUNE 30, 2019**

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Favorable (Unfavorable)</u>
<b>Revenues</b>				
<b>Local:</b>				
Property taxes	\$ 286,000	\$ 381,359	\$ 400,083	\$ 18,724
Earnings on investments	25,000	50,000	76,845	26,845
Rentals	1,500	1,500	20	(1,480)
Other local revenue	<u>6,100</u>	<u>58,865</u>	<u>68,144</u>	<u>9,279</u>
<b>Total local revenue</b>	318,600	491,724	545,092	53,368
<b>State:</b>				
State apportionment	9,316,845	9,494,198	9,486,439	(7,759)
State paid benefits	1,188,107	1,210,206	1,207,933	(2,273)
Revenue in lieu of taxes	26,582	26,582	23,727	(2,855)
Other state support	<u>619,124</u>	<u>619,999</u>	<u>618,246</u>	<u>(1,753)</u>
<b>Total State Revenue</b>	11,150,658	11,350,985	11,336,345	(14,640)
<b>Federal:</b>				
Forest reserve fund	2,000	2,000	3,004	1,004
Other federal	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<b>Total Federal Revenue</b>	<u>2,000</u>	<u>2,000</u>	<u>3,004</u>	<u>1,004</u>
<b>Total Revenues</b>	11,471,258	11,844,709	11,884,441	39,732

See Notes to Required Supplementary Information.



**KIMBERLY SCHOOL DISTRICT  
KIMBERLY, IDAHO  
GENERAL FUND  
COMBINING STATEMENT OF REVENUES, EXPENDITURES AND  
CHANGES IN FUND BALANCES - BUDGET AND ACTUAL  
FOR THE YEAR ENDED JUNE 30, 2019**

	<b>Original Budget</b>	<b>Final Budget</b>	<b>Actual</b>	<b>Variance Favorable (Unfavorable)</b>
<b>Expenditures</b>				
<b>Instructional:</b>				
<b>Elementary:</b>				
Teachers salaries	1,810,822	1,846,255	1,849,784	(3,529)
Teachers aides	104,095	142,825	128,177	14,648
Substitutes	28,832	28,832	47,525	(18,693)
Social security	143,609	149,282	149,352	(70)
Teachers fringe pool	520,756	543,727	542,065	1,662
Telephone	2,000	4,000	4,322	(322)
Travel and other	15,413	15,413	16,708	(1,295)
Supplies and textbooks	65,800	72,381	70,969	1,412
Equipment	15,200	26,407	25,291	1,116
<b>Total elementary</b>	<b>2,706,527</b>	<b>2,829,122</b>	<b>2,834,193</b>	<b>(5,071)</b>
<b>Middle school:</b>				
Teachers salaries	1,021,444	1,021,926	1,015,042	6,884
Substitutes	14,421	14,421	24,173	(9,752)
Social security	78,060	78,097	76,832	1,265
Teachers fringe pool	257,588	258,790	257,795	995
Telephone	2,000	2,000	3,032	(1,032)
Travel and other	22,778	22,778	23,441	(663)
Supplies and textbooks	33,600	36,818	37,522	(704)
Equipment	1,658	1,658	-	1,658
<b>Total middle</b>	<b>1,431,549</b>	<b>1,436,488</b>	<b>1,437,837</b>	<b>(1,349)</b>
<b>Secondary:</b>				
Teachers salaries	1,378,254	1,378,503	1,380,166	(1,663)
Substitutes	23,520	23,520	19,978	3,542
Social security	116,031	116,093	104,202	11,891
Teachers fringe pool	367,157	367,028	355,346	11,682
Telephone	4,000	4,000	6,225	(2,225)
Travel and other	15,473	15,793	16,288	(495)
Supplies and textbooks	60,210	96,773	58,433	38,340
<b>Total secondary</b>	<b>1,964,645</b>	<b>2,001,710</b>	<b>1,940,638</b>	<b>61,072</b>
<b>Alternative:</b>				
Teachers salaries	13,200	13,200	7,317	5,883
Social security	1,010	1,010	560	450
Teachers fringe pool	1,647	1,647	913	734
<b>Total alternative</b>	<b>15,857</b>	<b>15,857</b>	<b>8,790</b>	<b>7,067</b>
<b>Total instructional</b>	<b>6,118,578</b>	<b>6,283,177</b>	<b>6,221,458</b>	<b>61,719</b>

See Notes to Required Supplementary Information.

**KIMBERLY SCHOOL DISTRICT  
KIMBERLY, IDAHO  
GENERAL FUND  
COMBINING STATEMENT OF REVENUES, EXPENDITURES AND  
CHANGES IN FUND BALANCES - BUDGET AND ACTUAL  
FOR THE YEAR ENDED JUNE 30, 2019**

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Favorable (Unfavorable)</u>
<b>Expenditures</b>				
<b>Interscholastic:</b>				
Salaries	135,677	136,493	131,349	5,144
Social security & fringe	24,197	25,173	27,228	(2,055)
Travel and other	28,993	30,007	29,477	530
Supplies	3,000	3,000	3,000	-
<b>Total interscholastic</b>	<u>191,867</u>	<u>194,673</u>	<u>191,054</u>	<u>3,619</u>
 <b>Activities:</b>				
Salaries	27,416	28,535	28,197	338
Social security & fringe	5,359	5,445	5,708	(263)
Gifted and talented program	25,098	25,167	26,805	(1,638)
Debate	1,400	1,400	1,793	(393)
Other	11,670	11,826	9,524	2,302
<b>Total activities</b>	<u>70,943</u>	<u>72,373</u>	<u>72,027</u>	<u>346</u>
 <b>Guidance Counselors:</b>				
Counselor & social worker salaries	241,792	241,792	241,792	-
Social security	18,496	18,496	17,223	1,273
Fringe pool	47,707	51,559	51,599	(40)
Other	5,055	5,055	5,030	25
<b>Total support</b>	<u>313,050</u>	<u>316,902</u>	<u>315,644</u>	<u>1,258</u>
 <b>Special services:</b>				
Psychologist & teachers salaries	406,090	389,115	387,402	1,713
Teachers aides & secretary	35,272	49,909	50,489	(580)
Substitutes	-	-	-	-
Social security	32,171	32,087	31,941	146
Fringe pool	119,635	124,563	123,185	1,378
Supplies & other	-	-	-	-
<b>Total special services</b>	<u>593,168</u>	<u>595,674</u>	<u>593,017</u>	<u>2,657</u>

See Notes to Required Supplementary Information.

**KIMBERLY SCHOOL DISTRICT  
KIMBERLY, IDAHO  
GENERAL FUND  
COMBINING STATEMENT OF REVENUES, EXPENDITURES AND  
CHANGES IN FUND BALANCES - BUDGET AND ACTUAL  
FOR THE YEAR ENDED JUNE 30, 2019**

	<b>Original Budget</b>	<b>Final Budget</b>	<b>Actual</b>	<b>Variance Favorable (Unfavorable)</b>
<b>Expenditures</b>				
<b>Instructional improvement program:</b>				
Salaries	237,709	238,612	233,106	5,506
Social security & fringe	56,340	57,552	53,233	4,319
Purchased services	-	-	-	-
Supplies & other	32,939	97,710	103,864	(6,154)
Equipment	-	-	-	-
<b>Total instructional improvement program</b>	<b>326,988</b>	<b>393,874</b>	<b>390,203</b>	<b>3,671</b>
<b>Library &amp; personal development:</b>				
Salaries	248,014	247,714	244,447	3,267
Social security	18,973	18,950	17,577	1,373
Fringe pool	67,955	68,937	69,296	(359)
Books & supplies - elementary	9,624	9,466	9,437	29
Books & supplies - middle school	4,812	4,812	4,812	-
Books & supplies - secondary	4,812	4,812	4,738	74
Other	-	-	-	-
<b>Total library and personal development</b>	<b>354,190</b>	<b>354,691</b>	<b>350,307</b>	<b>4,384</b>
<b>District office - Superintendent:</b>				
Superintendent salary	99,750	99,750	108,392	(8,642)
Social security	7,631	7,631	7,554	77
Fringe pool	20,633	20,840	23,231	(2,391)
Travel and other	21,273	21,772	15,344	6,428
<b>Total district office superintendent</b>	<b>149,287</b>	<b>149,993</b>	<b>154,521</b>	<b>(4,528)</b>
<b>Principals and secretaries:</b>				
Salaries - principals	512,204	512,204	484,140	28,064
Salaries - secretaries	158,390	160,643	171,191	(10,548)
Social security	50,501	50,673	47,511	3,162
Fringe pool	163,203	167,239	163,817	3,422
Travel and dues	18,022	18,400	18,378	22
<b>Total principals &amp; secretaries</b>	<b>902,320</b>	<b>909,159</b>	<b>885,037</b>	<b>24,122</b>

See Notes to Required Supplementary Information.

**KIMBERLY SCHOOL DISTRICT  
KIMBERLY, IDAHO  
GENERAL FUND  
COMBINING STATEMENT OF REVENUES, EXPENDITURES AND  
CHANGES IN FUND BALANCES - BUDGET AND ACTUAL  
FOR THE YEAR ENDED JUNE 30, 2019**

	<b>Original Budget</b>	<b>Final Budget</b>	<b>Actual</b>	<b>Variance Favorable (Unfavorable)</b>
<b>Expenditures</b>				
<b>District office:</b>				
Salaries	121,948	133,101	137,990	(4,889)
Social security	9,080	9,933	9,654	279
Fringe pool	32,720	35,796	35,153	643
Professional services	21,500	21,500	18,321	3,179
Travel and other	71,510	85,224	91,767	(6,543)
<b>Total district office</b>	<u>256,758</u>	<u>285,554</u>	<u>292,885</u>	<u>(7,331)</u>
<b>Administrative technology services</b>				
Salaries	-	-	-	-
Social security	-	-	-	-
Fringe pool	-	-	-	-
Travel and other	-	-	-	-
Equipment	-	-	-	-
<b>Total administrative technology services</b>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<b>Custodians:</b>				
Salaries	264,023	269,501	268,628	873
Social security	20,198	20,617	19,712	905
Fringe pool	95,231	102,477	100,853	1,624
Utilities	245,000	265,000	279,353	(14,353)
Supplies and other	45,260	46,760	47,635	(875)
Property insurance	56,860	56,860	59,394	(2,534)
<b>Total custodians</b>	<u>726,572</u>	<u>761,215</u>	<u>775,575</u>	<u>(14,360)</u>
<b>Maintenance:</b>				
Salaries	181,397	181,397	189,320	(7,923)
Social security	13,877	13,877	13,818	59
Fringe pool	55,735	60,061	68,606	(8,545)
Contracted repairs	30,000	10,000	9,839	161
Supplies and other	94,900	43,600	39,711	3,889
Building improvements	2,799	2,799	-	2,799
<b>Total maintenance</b>	<u>378,708</u>	<u>311,734</u>	<u>321,294</u>	<u>(9,560)</u>
<b>School lunch:</b>				
Social security	17,807	18,023	15,965	2,058
Fringe pool	-	-	-	-
<b>Total school lunch</b>	<u>17,807</u>	<u>18,023</u>	<u>15,965</u>	<u>2,058</u>

See Notes to Required Supplementary Information.

**KIMBERLY SCHOOL DISTRICT  
KIMBERLY, IDAHO  
GENERAL FUND  
COMBINING STATEMENT OF REVENUES, EXPENDITURES AND  
CHANGES IN FUND BALANCES - BUDGET AND ACTUAL  
FOR THE YEAR ENDED JUNE 30, 2019**

	<b>Original Budget</b>	<b>Final Budget</b>	<b>Actual</b>	<b>Variance Favorable (Unfavorable)</b>
<b>Expenditures</b>				
<b>Security/Safety</b>				
School Resource Officer	2,313	2,514	2,514	-
Contracted Services	15,037	10,000	10,115	(115)
Supplies	11,000	5,000	4,731	269
<b>Total security/safety</b>	<u>28,350</u>	<u>17,514</u>	<u>17,360</u>	<u>154</u>
<b>Transportation:</b>				
Salaries - mechanics	39,808	39,808	40,333	(525)
Salaries - drivers	176,700	184,138	175,472	8,666
Salaries - supervisors	41,252	41,252	41,230	22
Salaries - other	44,563	49,433	49,522	(89)
Travel and other	24,037	24,138	21,062	3,076
Social security	22,486	24,070	22,235	1,835
Fringe pool	80,522	86,598	87,212	(614)
Physicals	2,000	2,000	2,152	(152)
Contract repairs & maintenance	30,348	30,348	26,754	3,594
Tires, batteries & parts	20,455	20,455	19,946	509
Fuel, oil & lube	84,000	84,000	50,168	33,832
Insurance	7,279	7,279	7,424	(145)
<b>Total transportation</b>	<u>573,450</u>	<u>593,519</u>	<u>543,510</u>	<u>50,009</u>
<b>Total support</b>	<u>4,883,458</u>	<u>4,974,898</u>	<u>4,918,401</u>	<u>56,497</u>
<b>Total expenditures</b>	<u>11,002,036</u>	<u>11,258,075</u>	<u>11,139,858</u>	<u>118,217</u>
<b>Other sources (uses)</b>				
Transfers in (out)	<u>(619,209)</u>	<u>(725,747)</u>	<u>(806,057)</u>	<u>80,310</u>
<b>Total other sources (uses)</b>	<u>(619,209)</u>	<u>(725,747)</u>	<u>(806,057)</u>	<u>80,310</u>
<b>Excess revenues over (under) expenditures</b>	<u>(149,987)</u>	<u>(139,113)</u>	<u>(61,474)</u>	<u>77,639</u>
<b>Fund balance - July 1, 2018</b>	<u>828,136</u>	<u>793,664</u>	<u>873,332</u>	<u>(79,668)</u>
<b>Fund balance - June 30, 2019</b>	<u><u>\$ 678,149</u></u>	<u><u>\$ 654,551</u></u>	<u><u>\$ 811,858</u></u>	<u><u>\$ (2,029)</u></u>

See Notes to Required Supplementary Information.

**KIMBERLY SCHOOL DISTRICT**  
**SCHEDULE OF EMPLOYER'S SHARE OF NET PENSION LIABILITY**  
**PERSI - BASE PLAN**  
**LAST 10 FISCAL YEARS\***

	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>
District's portion of the net pension liability	0.002353427	0.002238690	0.002180145	0.002134645	0.002081040
District's proportionate share of the net pension liability	\$ 3,096,850	\$ 4,419,489	\$ 4,419,489	\$ 2,810,980	\$ 1,531,971
District's covered-employee payroll	\$ 7,571,829	\$ 6,953,216	\$ 6,376,263	\$ 5,979,081	\$ 5,637,809
pension liability as a percentage of its covered-employee payroll	40.90%	63.56%	69.31%	47.01%	27.17%
Plan fiduciary net position as a percentage of the total pension liability	91.69%	90.68%	87.26%	91.38%	94.95%

\*GASB Statement No. 68 requires ten years of information to be presented in this table. However, until a 10 year trend is compiled, the District will present information for those years for which information is available.

Data reported is measured as of June 30, 2018, 2017, 2016, 2015 and 2014.

**KIMBERLY SCHOOL DISTRICT  
SCHEDULE OF EMPLOYER'S CONTRIBUTIONS  
PERSI - BASE PLAN  
LAST 10 FISCAL YEARS\***

	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>
Statutorily required contribution	\$ 857,131	\$ 787,104	\$ 721,793	\$ 676,832	\$ 638,200
Contribution in relation to the statutorily required contribution	<u>857,131</u>	<u>787,104</u>	<u>721,793</u>	<u>676,832</u>	<u>638,200</u>
Contribution deficiency (excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
District's covered -employee payroll	\$ 7,571,829	\$ 6,953,216	\$ 6,376,263	\$ 5,979,081	\$ 5,637,809
Contributions as a percentage of covered-employee payroll	11.32%	11.32%	11.32%	11.32%	11.32%

\*GASB Statement No. 68 requires ten years of information to be presented in this table. However, until a full 10 year trend is compiled, the District will present information for those years for which information is available.

Data reported is measured as of each year's most recent fiscal year end.

**KIMBERLY SCHOOL DISTRICT  
SCHEDULE OF EMPLOYER'S SHARE OF NET OPEB ASSET  
PERSI - SICK LEAVE  
LAST 10 FISCAL YEARS\***

	<u>2018</u>	<u>2017</u>
District's portion of the net OPEB asset	0.005631618	0.005458761
District's proportionate share of the net OPEB asset	\$ 453,844	\$ 419,030
District's covered-employee payroll	\$ 7,571,829	\$ 6,953,216
District's proportional share of the net OPEB asset as a percentage of its covered-employee payroll	5.99%	6.03%
Plan fiduciary net position as a percentage of the total OPEB asset	135.69%	136.78%

\*GASB Statement No. 75 requires ten years of information to be presented in this table. However, until a 10 year trend is compiled, the District will present information for those years for which information is available.

Data reported is measured as of June 30, 2018, and 2017



**KIMBERLY SCHOOL DISTRICT  
SCHEDULE OF EMPLOYER'S CONTRIBUTIONS  
PERSI - SICK LEAVE  
LAST 10 FISCAL YEARS\***

	<u><b>2018</b></u>	<u><b>2017</b></u>
Statutorily required contribution	\$ 87,833	\$ 80,658
Contribution in relation to the statutorily required contribution	<u>87,833</u>	<u>80,658</u>
Contribution deficiency (excess)	<u><u>\$ -</u></u>	<u><u>\$ -</u></u>
District's covered -employee payroll	\$ 7,571,829	\$ 6,953,216
Contributions as a percentage of covered-employee payroll	1.16%	1.16%

\*GASB Statement No. 68 requires ten years of information to be presented in this table. However, until a full 10 year trend is compiled, the District will present information for those years for which information is available.

Data reported is measured as of each year's most recent fiscal year end.

**KIMBERLY SCHOOL DISTRICT  
KIMBERLY, IDAHO  
NOTES TO REQUIRED SUPPLEMENTARY INFORMATION  
JUNE 30, 2019**

**NOTE 1- BUDGETARY INFORMATION**

**Budgetary-GAAP Reporting Reconciliation**

The accompanying Budgetary Comparison Schedules compare the legally adopted budget with actual data on a budgetary basis. Accounting principles applied for purposes of developing data on the budgetary basis do not differ significantly from those used to present financial statements in conformity with generally accepted accounting principles (GAAP).

**Budgetary Policies**

Kimberly School District #414 prepares an annual budget of revenue and expenditures prior to the beginning of the fiscal year. The budget is prepared on the modified accrual basis of accounting. Budget figures are based on prior levels of revenue and expenditures taking into account specific items which may be planned in advance by the District such as capital outlay expenditures. Any excess of budgeted expenditures over budgeted revenues are temporary situations and are budgeted so as to utilize cash balances in the individual fund.

## **SUPPLEMENTARY INFORMATION**

**KIMBERLY SCHOOL DISTRICT NO. 414**  
**KIMBERLY, IDAHO**  
**COMBINING STATEMENT OF REVENUES, EXPENDITURES AND**  
**CHANGES IN FUND BALANCE - BUDGET AND ACTUAL**  
**DEBT SERVICE FUND**  
**FOR THE YEAR ENDED JUNE 30, 2019**

	<b>Final Budget</b>	<b>Original Budget</b>	<b>Actual</b>	<b>Variance Favorable (Unfavorable)</b>
<b>Revenues</b>				
Local	\$ 1,289,088	\$ 1,457,500	\$ 1,309,117	\$ 20,029
State	476,243	425,354	484,608	8,365
Federal	68,278	68,278	69,998	1,720
<b>Total Revenues</b>	<b>1,833,609</b>	<b>1,951,132</b>	<b>1,863,723</b>	<b>30,114</b>
<b>Expenditures</b>				
Principal payments	1,195,000	1,195,000	1,185,000	10,000
Interest & fees	837,983	837,983	838,183	(200)
Contingency Reserve	1,868,954	167,395	-	1,868,954
<b>Total Expenditures</b>	<b>3,901,937</b>	<b>2,200,378</b>	<b>2,023,183</b>	<b>1,878,754</b>
<b>Other Sources (Uses)</b>				
Advance refunding escrow	-	-	-	-
Transfers in (out)	-	-	-	-
<b>Total Other Sources (Uses)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Excess Revenues Over (Under) Expenditures</b>	<b>(2,068,328)</b>	<b>(249,246)</b>	<b>(159,460)</b>	<b>1,908,868</b>
<b>Fund Balance - July 1, 2018</b>	<b>2,068,328</b>	<b>249,246</b>	<b>2,068,328</b>	<b>-</b>
<b>Fund Balance - June 30, 2019</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 1,908,868</b>	<b>\$ 1,908,868</b>

See Notes to Required Supplementary Information.

**KIMBERLY SCHOOL DISTRICT  
KIMBERLY, IDAHO  
COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND  
CHANGES IN FUND BALANCES-BUDGET AND ACTUAL  
CAPITAL PROJECTS FUND  
FOR THE YEAR ENDED JUNE 30, 2019**

	<b>Budgeted Amounts</b>			<b>Variance Favorable (Unfavorable)</b>
	<b>Final</b>	<b>Original</b>	<b>Actual</b>	
<b>REVENUES</b>				
Local Sources:				
Other Local	\$ 300,000	\$ 300,000	\$ 279,526	\$ (20,474)
Earnings on investments	40,000	40,000	35,184	(4,816)
Total local sources	<u>340,000</u>	<u>340,000</u>	<u>314,710</u>	<u>(25,290)</u>
<b>Total revenues</b>	<u>340,000</u>	<u>340,000</u>	<u>314,710</u>	<u>(25,290)</u>
<b>EXPENDITURES</b>				
Capital outlay	4,043,164	5,112,362	3,272,035	771,129
Contingency Reserve	<u>100,000</u>	<u>100,000</u>	<u>-</u>	<u>100,000</u>
Total expenditures	<u>4,143,164</u>	<u>5,212,362</u>	<u>3,272,035</u>	<u>871,129</u>
<b>OTHER FINANCING SOURCES (USES)</b>				
Bond proceeds	-	-	-	-
Transfers in	84,796	76,876	64,060	(20,736)
Transfers out	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total other financing sources (uses)	<u>84,796</u>	<u>76,876</u>	<u>64,060</u>	<u>(20,736)</u>
<b>Excess (deficiency) of revenues over expenditures</b>	<u>(3,718,368)</u>	<u>(4,795,486)</u>	<u>(2,893,265)</u>	<u>825,103</u>
<b>Fund balances-beginning</b>	<u>3,718,368</u>	<u>4,795,486</u>	<u>3,486,744</u>	<u>(231,624)</u>
<b>Fund balances-ending</b>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 593,479</u>	<u>\$ 593,479</u>

See Notes to Required Supplementary Information

**KIMBERLY SCHOOL DISTRICT  
KIMBERLY, IDAHO  
COMBINING BALANCE SHEET  
NONMAJOR GOVERNMENTAL FUNDS  
JUNE 30, 2019**

	<b>Title I-A</b>	<b>IDEA School Age</b>	<b>IDEA Pre- School</b>	<b>Title IV Student Support &amp; Academic Enrichment</b>	<b>Title II-A</b>	<b>Technology</b>
<b>Assets</b>						
Cash and Cash Equivalents	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Equity in Pooled Cash	-	-	-	-	-	-
Investments	-	-	-	-	-	-
Taxes Receivable	-	-	-	-	-	-
Receivable From Other Governments	54,884	73,566	1,369	5,343	6,881	40,140
Receivable From Other Funds	-	-	-	-	-	-
<b>Total Assets</b>	<b>\$ 54,884</b>	<b>\$ 73,566</b>	<b>\$ 1,369</b>	<b>\$ 5,343</b>	<b>\$ 6,881</b>	<b>\$ 40,140</b>
<b>Liabilities</b>						
Deficit in Pooled Cash	\$ 29,348	\$ 42,772	\$ 1,369	\$ 2,493	\$ 5,081	\$ 32,972
Accounts Payable	-	356	-	-	-	3,845
Salaries and Benefits Payable	25,536	30,438	-	2,850	1,800	21,635
Due to Other Funds	-	-	-	-	-	-
Deferred Revenue	-	-	-	-	-	-
<b>Total Liabilities</b>	<b>54,884</b>	<b>73,566</b>	<b>1,369</b>	<b>5,343</b>	<b>6,881</b>	<b>58,452</b>
<b>Fund Equity</b>						
Fund Balances:						
Nonspendable	-	-	-	-	-	-
Restricted:						
Capital projects	-	-	-	-	-	-
Federal Programs	-	-	-	-	-	-
State Programs	-	-	-	-	-	-
School Lunch Program	-	-	-	-	-	-
Committed:	-	-	-	-	-	-
Assigned:	-	-	-	-	-	-
Capital Projects	-	-	-	-	-	-
Unassigned	-	-	-	-	-	(18,312)
<b>Total Fund Equity</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>(18,312)</b>
<b>Total Liabilities and Fund Equity</b>	<b>\$ 54,884</b>	<b>\$ 73,566</b>	<b>\$ 1,369</b>	<b>\$ 5,343</b>	<b>\$ 6,881</b>	<b>\$ 40,140</b>

<b>Title I-C Migrant</b>	<b>Perkins III</b>	<b>Driver's Ed</b>	<b>Professional Technical</b>	<b>Special Ed. Billing</b>	<b>Safe &amp; Drug Free</b>	<b>Child Nutrition</b>	<b>Totals</b>
\$ -	\$ -	\$ -	\$ -	\$ -	\$ 136	\$ 36,040	\$ 36,176
-	-	-	14,569	62,943	-	2,809	80,321
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
5,599	14,537	4,125	-	11,396	-	-	217,840
-	-	-	-	-	-	-	-
<u>\$ 5,599</u>	<u>\$ 14,537</u>	<u>\$ 4,125</u>	<u>\$ 14,569</u>	<u>\$ 74,339</u>	<u>\$ 136</u>	<u>\$ 38,849</u>	<u>\$ 334,337</u>
\$ 3,484	\$ 14,537	\$ 1,033	\$ -	\$ -	\$ -	\$ -	\$ 133,089
208	-	48	1,827	1,560	-	181	8,025
1,907	-	2,917	6,378	72,779	-	-	166,240
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
5,599	14,537	3,998	8,205	74,339	-	181	307,354
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
-	-	127	6,364	-	136	-	6,627
-	-	-	-	-	-	38,668	38,668
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	(18,312)
-	-	127	6,364	-	136	38,668	26,983
<u>\$ 5,599</u>	<u>\$ 14,537</u>	<u>\$ 4,125</u>	<u>\$ 14,569</u>	<u>\$ 74,339</u>	<u>\$ 136</u>	<u>\$ 38,849</u>	<u>\$ 334,337</u>

**KIMBERLY SCHOOL DISTRICT  
KIMBERLY, IDAHO  
COMBINING STATEMENT OF REVENUES, EXPENDITURES AND  
CHANGES IN FUND BALANCES-NONMAJOR GOVERNMENTAL FUNDS  
FOR THE YEAR ENDED JUNE 30, 2019**

	<b>Title I-A</b>	<b>IDEA School Age</b>	<b>IDEA Pre- School</b>	<b>Title IV Student Support &amp; Academic Enrichment</b>	<b>Title II-A</b>	<b>Technology</b>
<b>Revenues</b>						
Local	\$ -	\$ -	\$ 12,050	\$ -	\$ -	\$ 110,789
State	-	-	-	-	-	356,654
Federal	159,266	318,196	16,565	16,745	31,679	-
<b>Total Revenues</b>	159,266	318,196	28,615	16,745	31,679	467,443
<b>Expenditures</b>						
Instructional	159,266	318,196	28,615	16,745	31,679	5,697
Support	-	-	-	-	-	622,269
Non-Instructional	-	-	-	-	-	-
Child Nutrition	-	-	-	-	-	-
Capital Outlay	-	-	-	-	-	-
<b>Total Expenditures</b>	159,266	318,196	28,615	16,745	31,679	627,966
<b>Other Sources (Uses)</b>						
Bond Proceeds	-	-	-	-	-	-
Transfers In (Out)	-	-	-	-	-	186,285
<b>Total Other Sources (Uses)</b>	-	-	-	-	-	186,285
Excess Revenues Over (Under) Expenditures	-	-	-	-	-	25,762
<b>Fund Balance - July 1, 2018</b>	-	-	-	-	-	(44,074)
<b>Fund Balance - June 30, 2019</b>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ (18,312)</u>



<b>Title I-C Migrant</b>	<b>Perkins III</b>	<b>Driver's Ed</b>	<b>Professional Technical</b>	<b>Special Ed. Billing</b>	<b>Safe &amp; Drug Free</b>	<b>Child Nutrition</b>	<b>Totals</b>
\$ -	\$ -	\$ 5,900	\$ -	\$ -	\$ -	\$ 234,955	\$ 363,694
-	-	14,000	97,605	-	25,978	-	494,237
15,555	14,537	-	-	23,675	-	432,780	1,028,998
15,555	14,537	19,900	97,605	23,675	25,978	667,735	1,886,929
15,555	14,537	20,262	100,090	539,413	25,842	-	1,275,897
-	-	-	-	-	-	-	622,269
-	-	-	-	-	-	-	-
-	-	-	-	-	-	682,598	682,598
-	-	-	-	-	-	-	-
15,555	14,537	20,262	100,090	539,413	25,842	682,598	2,580,764
-	-	-	-	-	-	-	-
-	-	-	-	550,882	-	4,830	741,997
-	-	-	-	550,882	-	4,830	741,997
-	-	(362)	(2,485)	35,144	136	(10,033)	48,162
-	-	489	8,849	(35,144)	-	48,701	(21,179)
<u>\$ -</u>	<u>\$ -</u>	<u>\$ 127</u>	<u>\$ 6,364</u>	<u>\$ -</u>	<u>\$ 136</u>	<u>\$ 38,668</u>	<u>\$ 26,983</u>

**KIMBERLY SCHOOL DISTRICT  
KIMBERLY, IDAHO  
SPECIAL REVENUE FUNDS  
COMBINING STATEMENT OF REVENUES, EXPENDITURES AND  
CHANGES IN FUND BALANCES - BUDGET AND ACTUAL  
FOR THE YEAR ENDED JUNE 30, 2019**

	Title I-A				IDEA School-Age			
	Original Budget	Final Budget	Actual	Variance Favorable (Unfavorable)	Original Budget	Final Budget	Actual	Variance Favorable (Unfavorable)
<b>Revenues</b>								
Local	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
State	-	-	-	-	-	-	-	-
Federal	174,913	178,546	159,266	(19,280)	305,834	321,796	318,196	(3,600)
<b>Total Revenues</b>	174,913	178,546	159,266	(19,280)	305,834	321,796	318,196	(3,600)
<b>Expenditures</b>								
Instructional:								
Salaries	123,845	114,781	107,773	7,008	165,257	148,842	146,268	2,574
Benefits	43,248	39,971	39,050	921	77,889	81,843	81,756	87
Purchased Services	3,600	6,494	3,453	3,041	52,314	82,907	82,536	371
Supplies and Materials	4,220	17,300	8,990	8,310	10,374	8,204	7,636	568
Equipment	-	-	-	-	-	-	-	-
<b>Total Instructional</b>	174,913	178,546	159,266	19,280	305,834	321,796	318,196	3,600
Support:								
Equipment and Other Expenses	-	-	-	-	-	-	-	-
<b>Total Support</b>	-	-	-	-	-	-	-	-
Non-Instructional	-	-	-	-	-	-	-	-
<b>Total Non-Instructional</b>	-	-	-	-	-	-	-	-
<b>Total Expenditures</b>	174,913	178,546	159,266	19,280	305,834	321,796	318,196	3,600
<b>Other Sources (Uses)</b>								
Transfers In (Out)	-	-	-	-	-	-	-	-
<b>Total Other Sources (Uses)</b>	-	-	-	-	-	-	-	-
<b>Excess Revenues Over (Under) Expenditures</b>	-	-	-	-	-	-	-	-
<b>Fund Balance - July 1, 2018</b>	-	-	-	-	-	-	-	-
<b>Fund Balance - June 30, 2019</b>	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -

**KIMBERLY SCHOOL DISTRICT  
KIMBERLY, IDAHO  
SPECIAL REVENUE FUNDS  
COMBINING STATEMENT OF REVENUES, EXPENDITURES AND  
CHANGES IN FUND BALANCES - BUDGET AND ACTUAL  
FOR THE YEAR ENDED JUNE 30, 2019**

	IDEA - Pre School				Title IV Student Support			
	Original Budget	Final Budget	Actual	Variance Favorable (Unfavorable)	Original Budget	Final Budget	Actual	Variance Favorable (Unfavorable)
<b>Revenues</b>								
Local	\$ 12,500	\$ 8,000	\$ 12,050	\$ 4,050	\$ -	\$ -	\$ -	\$ -
State	-	-	-	-	-	-	-	-
Federal	20,822	20,867	16,565	(4,302)	14,736	16,768	16,745	(23)
<b>Total Revenues</b>	33,322	28,867	28,615	(252)	14,736	16,768	16,745	(23)
<b>Expenditures</b>								
Instructional:								
Salaries	28,620	21,218	22,744	(1,526)	9,853	11,558	11,333	225
Benefits	4,473	6,969	5,740	1,229	4,732	5,210	5,412	(202)
Purchased Services	-	-	-	-	-	-	-	-
Supplies and Materials	229	680	131	549	151	-	-	-
Equipment	-	-	-	-	-	-	-	-
<b>Total Instructional</b>	33,322	28,867	28,615	252	14,736	16,768	16,745	23
Support:								
Equipment and Other Expenses	-	-	-	-	-	-	-	-
<b>Total Support</b>	-	-	-	-	-	-	-	-
Non-Instructional	-	-	-	-	-	-	-	-
<b>Total Non-Instructional</b>	-	-	-	-	-	-	-	-
<b>Total Expenditures</b>	33,322	28,867	28,615	252	14,736	16,768	16,745	23
<b>Other Sources (Uses)</b>								
Transfers In (Out)	-	-	-	-	-	-	-	-
<b>Total Other Sources (Uses)</b>	-	-	-	-	-	-	-	-
<b>Excess Revenues Over (Under) Expenditures</b>	-	-	-	-	-	-	-	-
<b>Fund Balance - July 1, 2018</b>	-	-	-	-	-	-	-	-
<b>Fund Balance - June 30, 2019</b>	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -

**KIMBERLY SCHOOL DISTRICT  
KIMBERLY, IDAHO  
SPECIAL REVENUE FUNDS  
COMBINING STATEMENT OF REVENUES, EXPENDITURES AND  
CHANGES IN FUND BALANCES - BUDGET AND ACTUAL  
FOR THE YEAR ENDED JUNE 30, 2019**

	Title II-A				Technology			
	Original Budget	Final Budget	Actual	Variance Favorable (Unfavorable)	Original Budget	Final Budget	Actual	Variance Favorable (Unfavorable)
<b>Revenues</b>								
Local	\$ -	\$ -	\$ -	\$ -	\$ 179,334	\$ 182,687	\$ 110,789	\$ (71,898)
State	-	-	-	-	290,322	304,077	356,654	52,577
Federal	34,931	34,931	31,679	(3,252)	-	-	-	-
<b>Total Revenues</b>	34,931	34,931	31,679	(3,252)	469,656	486,764	467,443	(19,321)
<b>Expenditures</b>								
Instructional:								
Salaries	27,081	25,381	23,419	1,962	213,996	213,996	226,669	(12,673)
Benefits	6,636	6,617	7,353	(736)	69,560	68,756	73,007	(4,251)
Purchased Services	1,000	2,000	850	1,150	74,900	127,500	104,074	23,426
Supplies and Materials	214	933	57	876	316,965	265,618	215,745	49,873
Equipment	-	-	-	-	16,835	12,679	8,471	4,208
<b>Total Instructional</b>	34,931	34,931	31,679	3,252	692,256	688,549	627,966	60,583
Support:								
Equipment and Other Expenses	-	-	-	-	-	-	-	-
<b>Total Support</b>	-	-	-	-	-	-	-	-
Non-Instructional	-	-	-	-	-	-	-	-
<b>Total Non-Instructional</b>	-	-	-	-	-	-	-	-
<b>Total Expenditures</b>	34,931	34,931	31,679	3,252	692,256	688,549	627,966	60,583
<b>Other Sources (Uses)</b>								
Transfers In (Out)	-	-	-	-	166,000	186,285	186,285	-
<b>Total Other Sources (Uses)</b>	-	-	-	-	166,000	186,285	186,285	-
<b>Excess Revenues Over (Under) Expenditures</b>	-	-	-	-	(56,600)	(15,500)	25,762	41,262
<b>Fund Balance - July 1, 2018</b>	-	-	-	-	56,600	15,500	(44,074)	15,500
<b>Fund Balance - June 30, 2019</b>	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ (18,312)	\$ 56,762

**KIMBERLY SCHOOL DISTRICT  
KIMBERLY, IDAHO  
SPECIAL REVENUE FUNDS  
COMBINING STATEMENT OF REVENUES, EXPENDITURES AND  
CHANGES IN FUND BALANCES - BUDGET AND ACTUAL  
FOR THE YEAR ENDED JUNE 30, 2019**

	Title I-C Migrant				Child Nutrition			
	Original Budget	Final Budget	Actual	Variance Favorable (Unfavorable)	Original Budget	Final Budget	Actual	Variance Favorable (Unfavorable)
<b>Revenues</b>								
Local	\$ -	\$ -	\$ -	\$ -	\$ 187,300	\$ 189,300	\$ 234,955	\$ 45,655
State	-	-	-	-	-	-	-	-
Federal	18,281	18,281	15,555	(2,726)	310,000	325,000	432,780	107,780
<b>Total Revenues</b>	18,281	18,281	15,555	(2,726)	497,300	514,300	667,735	153,435
<b>Expenditures</b>								
Instructional:								
Salaries	10,597	7,521	7,219	302	232,760	235,586	204,793	30,793
Benefits	7,181	4,285	3,591	694	85,471	93,198	80,332	12,866
Purchased Services	303	3,200	3,059	141	4,750	4,750	3,371	1,379
Supplies and Materials	200	3,275	1,686	1,589	223,319	218,807	388,219	(169,412)
Equipment	-	-	-	-	1,000	5,830	5,883	(53)
<b>Total Instructional</b>	18,281	18,281	15,555	2,726	547,300	558,171	682,598	(124,427)
Support:								
Equipment and Other Expenses	-	-	-	-	-	-	-	-
<b>Total Support</b>	-	-	-	-	-	-	-	-
Non-Instructional	-	-	-	-	-	-	-	-
<b>Total Non-Instructional</b>	-	-	-	-	-	-	-	-
<b>Total Expenditures</b>	18,281	18,281	15,555	2,726	547,300	558,171	682,598	(124,427)
<b>Other Sources (Uses)</b>								
Transfers In (Out)	-	-	-	-	-	(4,830)	4,830	(9,660)
<b>Total Other Sources (Uses)</b>	-	-	-	-	-	(4,830)	4,830	(9,660)
<b>Excess Revenues Over (Under) Expenditures</b>	-	-	-	-	(50,000)	(48,701)	(10,033)	38,668
<b>Fund Balance - July 1, 2018</b>	-	-	-	-	50,000	48,701	48,701	-
<b>Fund Balance - June 30, 2019</b>	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 38,668	\$ 38,668

**KIMBERLY SCHOOL DISTRICT  
KIMBERLY, IDAHO  
SPECIAL REVENUE FUNDS  
COMBINING STATEMENT OF REVENUES, EXPENDITURES AND  
CHANGES IN FUND BALANCES - BUDGET AND ACTUAL  
FOR THE YEAR ENDED JUNE 30, 2019**

	Perkins III				Drivers Education			
	Original Budget	Final Budget	Actual	Variance Favorable (Unfavorable)	Original Budget	Final Budget	Actual	Variance Favorable (Unfavorable)
<b>Revenues</b>								
Local	\$ -	\$ -	\$ -	\$ -	\$ 8,000	\$ 9,300	\$ 5,900	\$ (3,400)
State	-	-	-	-	9,500	9,500	14,000	4,500
Federal	14,250	14,909	14,537	(372)	-	-	-	-
<b>Total Revenues</b>	14,250	14,909	14,537	(372)	17,500	18,800	19,900	1,100
<b>Expenditures</b>								
Instructional:								
Salaries	-	-	-	-	16,320	13,500	16,535	(3,035)
Benefits	-	-	-	-	3,194	2,681	2,051	630
Purchased Services	5,700	6,200	6,004	196	1,803	800	52	748
Supplies and Materials	-	8,709	8,505	204	2,483	2,308	1,624	684
Equipment	8,550	-	28	(28)	-	-	-	-
<b>Total Instructional</b>	14,250	14,909	14,537	372	23,800	19,289	20,262	(973)
Support:								
Equipment and Other Expenses	-	-	-	-	-	-	-	-
<b>Total Support</b>	-	-	-	-	-	-	-	-
Non-Instructional	-	-	-	-	-	-	-	-
<b>Total Non-Instructional</b>	-	-	-	-	-	-	-	-
<b>Total Expenditures</b>	14,250	14,909	14,537	372	23,800	19,289	20,262	(973)
<b>Other Sources (Uses)</b>								
Transfers In (Out)	-	-	-	-	-	-	-	-
<b>Total Other Sources (Uses)</b>	-	-	-	-	-	-	-	-
<b>Excess Revenues Over (Under) Expenditures</b>	-	-	-	-	(6,300)	(489)	(362)	127
<b>Fund Balance - July 1, 2018</b>	-	-	-	-	6,300	489	489	-
<b>Fund Balance - June 30, 2019</b>	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 127	\$ 127

**KIMBERLY SCHOOL DISTRICT  
KIMBERLY, IDAHO  
SPECIAL REVENUE FUNDS  
COMBINING STATEMENT OF REVENUES, EXPENDITURES AND  
CHANGES IN FUND BALANCES - BUDGET AND ACTUAL  
FOR THE YEAR ENDED JUNE 30, 2019**

	Professional Technical				Special Ed. Billing			
	Original Budget	Final Budget	Actual	Variance Favorable (Unfavorable)	Original Budget	Final Budget	Actual	Variance Favorable (Unfavorable)
<b>Revenues</b>								
Local	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
State	84,824	97,554	97,605	51	-	-	-	-
Federal	-	-	-	-	50,000	50,000	23,675	(26,325)
<b>Total Revenues</b>	84,824	97,554	97,605	51	50,000	50,000	23,675	(26,325)
<b>Expenditures</b>								
Instructional:								
Salaries	31,897	31,897	31,897	-	281,563	323,447	358,964	(35,517)
Benefits	6,275	6,275	7,096	(821)	128,994	161,581	166,134	(4,553)
Purchased Services	13,000	11,500	10,681	819	-	-	14,214	(14,214)
Supplies and Materials	18,746	32,897	35,143	(2,246)	776	400	101	299
Equipment	14,906	23,834	15,273	8,561	-	-	-	-
<b>Total Instructional</b>	84,824	106,403	100,090	6,313	411,333	485,428	539,413	(53,985)
Support:								
Equipment and Other Expenses	-	-	-	-	-	-	-	-
<b>Total Support</b>	-	-	-	-	-	-	-	-
Non-Instructional	-	-	-	-	-	-	-	-
<b>Total Non-Instructional</b>	-	-	-	-	-	-	-	-
<b>Total Expenditures</b>	84,824	106,403	100,090	6,313	411,333	485,428	539,413	(53,985)
<b>Other Sources (Uses)</b>								
Transfers In (Out)	-	-	-	-	376,333	470,572	550,882	80,310
<b>Total Other Sources (Uses)</b>	-	-	-	-	376,333	470,572	550,882	80,310
<b>Excess Revenues Over (Under) Expenditures</b>	-	(8,849)	(2,485)	6,364	15,000	35,144	35,144	-
<b>Fund Balance - July 1, 2018</b>	-	8,849	8,849	-	(15,000)	(35,144)	(35,144)	-
<b>Fund Balance - June 30, 2019</b>	\$ -	\$ -	\$ 6,364	\$ 6,364	\$ -	\$ -	\$ -	\$ -

**KIMBERLY SCHOOL DISTRICT  
KIMBERLY, IDAHO  
SPECIAL REVENUE FUNDS  
COMBINING STATEMENT OF REVENUES, EXPENDITURES AND  
CHANGES IN FUND BALANCES - BUDGET AND ACTUAL  
FOR THE YEAR ENDED JUNE 30, 2019**

	Safe & Drug Free				Totals			
	Original Budget	Final Budget	Actual	Variance Favorable (Unfavorable)	Original Budget	Final Budget	Actual	Variance Favorable (Unfavorable)
<b>Revenues</b>								
Local	\$ -	\$ -	\$ -	\$ -	\$ 387,134	\$ 389,287	\$ 363,694	\$ (25,593)
State	25,842	25,978	25,978	-	410,488	437,109	494,237	57,128
Federal	-	-	-	-	943,767	981,098	1,028,998	47,900
<b>Total Revenues</b>	25,842	25,978	25,978	-	1,741,389	1,807,494	1,886,929	79,435
<b>Expenditures</b>								
Instructional:								
Salaries	-	-	-	-	1,141,789	1,147,727	1,157,614	(9,887)
Benefits	-	-	-	-	437,653	477,386	471,522	5,864
Purchased Services	25,842	25,978	25,842	136	183,212	271,329	254,136	17,193
Supplies and Materials	-	-	-	-	577,677	559,131	667,837	(108,706)
Equipment	-	-	-	-	41,291	42,343	29,655	12,688
<b>Total Instructional</b>	25,842	25,978	25,842	136	2,381,622	2,497,916	2,580,764	(82,848)
Support:								
Equipment and Other Expenses	-	-	-	-	-	-	-	-
<b>Total Support</b>	-	-	-	-	-	-	-	-
Non-Instructional	-	-	-	-	-	-	-	-
<b>Total Non-Instructional</b>	-	-	-	-	-	-	-	-
<b>Total Expenditures</b>	25,842	25,978	25,842	136	2,381,622	2,497,916	2,580,764	(82,848)
<b>Other Sources (Uses)</b>								
Transfers In (Out)	-	-	-	-	542,333	652,027	741,997	89,970
<b>Total Other Sources (Uses)</b>	-	-	-	-	542,333	652,027	741,997	89,970
<b>Excess Revenues Over (Under) Expenditures</b>	-	-	136	136	(97,900)	(38,395)	48,162	86,557
<b>Fund Balance - July 1, 2018</b>	-	-	-	-	97,900	38,395	(21,179)	59,574
<b>Fund Balance - June 30, 2019</b>	\$ -	\$ -	\$ 136	\$ 136	\$ -	\$ -	\$ 26,983	\$ 146,131



**KIMBERLY SCHOOL DISTRICT No. 414  
KIMBERLY, IDAHO  
CONTINUING DISCLOSURE STATEMENT**

**Continuing Disclosure**

The General Obligation Bonds, Series 2007A (Bank Qualified), Series 2013A (Tax Exempt) and Series 2013B (Taxable QSCB-Direct Pay Subsidy Bonds), General Obligation Bonds, Series 2016A, General Obligation Refunding Bonds, Series 2016B and General Obligation Bonds, Series 2018 are subject to the requirements of Continuing Disclosure under S.E.C Rule 15c2-12. The following information is provided in compliance with this requirement.

Continuing Disclosure Bond Information

**Bonded Indebtedness**

**Outstanding Long-Term Debt  
As of June 30, 2019**

	<u>Date of Issue</u>	<u>Date of Maturity</u>	<u>Amount Issued</u>	<u>Amount Outstanding</u>
<b>General Obligation Bonds</b>				
Series 2013A	08/01/13	09/15/29	1,500,000	1,500,000
Series 2013B (QSCB)	08/01/13	09/15/30	1,485,000	1,485,000
Series 2016A	09/20/16	09/15/37	10,660,000	9,855,000
Series 2016 Refunding Bonds	09/20/16	09/15/27	8,055,000	7,820,000
Series 2018	09/20/16	09/15/27	2,695,000	2,170,000
Total Outstanding Long-term Debt			\$ 24,395,000	\$ 22,830,000

**Short-Term Borrowing**

Under Idaho Code, the District is permitted to borrow up to an amount not to exceed 75 percent of:

- (a) The taxes levied but uncollected for the current Fiscal Year (the fiscal year includes July 1 to June 30), exclusive of taxes raised or required to be raised to pay the principal of outstanding bonded indebtedness of the District;
- (b) anticipated distribution from the public-school income fund not yet collected for the current fiscal year; and
- (c) other revenues anticipated, and not yet collected for the current fiscal year.

If the tax levy or budget for any fiscal year has not been completed, then the amount borrowed cannot exceed 75 percent of the taxes levied or State fund or other revenues received by the District in the previous fiscal year.

The District does not currently have any short-term notes outstanding, nor does it have plans to issue any notes at this time.

**KIMBERLY SCHOOL DISTRICT No. 414**  
**KIMBERLY, IDAHO**  
**CONTINUING DISCLOSURE STATEMENT**

**Overlapping Debt**

The District does not have any overlapping debt to report.

**Taxes and State Funding**

**Ad Valorem Tax Levy Rates of the District**

<b>Tax Year</b>	<b>Supplemental M&amp;O</b>	<b>Emergency</b>	<b>Tort</b>	<b>Bond</b>	<b>Plant Facility</b>	<b>Total Levy Rate</b>
2019	-	0.185	0.070	2.540	0.595	3.389
2018	-	0.328	0.063	2.787	0.643	3.821
2017	-	0.195	0.069	2.884	0.741	3.148
2016	0.772	0.194	0.063	2.884	-	3.913
2015	0.826	0.201	0.060	2.884	-	3.971

**District Property Values**

<b>Tax Year</b>	<b>Full Market Value (1)</b>	<b>% Annual Change in Full Market Value</b>	<b>Homeowner's Exemption (2)</b>	<b>Taxable Assessed Value (3)</b>	<b>% Annual Change in Net Market Value</b>
2018	\$ 674,146,700	8.33%	\$ 169,555,639	\$ 504,591,061	8.18%
2017	622,319,116	15.35%	155,876,428	466,442,688	15.13%
2016	539,526,111	5.00%	134,396,875	405,129,236	4.20%
2015	513,840,384	7.75%	125,025,608	388,814,776	7.05%
2014	476,889,466	9.20%	113,674,794	363,214,672	10.29%

- (1) Each year all taxable property must be assessed at 100 percent of the current market value.
- (2) Homeowner's Exemption adjusts annually by the percentage change in the Idaho Housing Price Index. See "Homeowner's Exemption" herein.
- (3) Taxable Assessed Value is the Full Market Value less statutory exemption. Statutory exemptions include homeowner's exemption. The Taxable Assessed Value is the value against which tax levies are applied.

Source: Idaho State Tax Commission, September 30, 2018.

**KIMBERLY SCHOOL DISTRICT No. 414**  
**KIMBERLY, IDAHO**  
**CONTINUING DISCLOSURE STATEMENT**

**District Property Tax Collection**

*Ad valorem* taxes, including delinquent taxes and penalties, are collected by the treasurer of the County. The taxes are due and payable in two equal installments on December 20 of the Tax Year and June 20 of the following year. The District receives tax receipts in January and July, one month following collection by the County.

<b>Tax Year</b>	<b>Total Certified Levied</b>	<b>Taxes Collected (1)</b>	<b>Percent Collected</b>	Source: Office of the County Treasurer
2018	1,959,948	1,921,499	98.04%	
2017	1,782,338	1,722,892	96.66%	
2016	1,575,391	1,534,201	97.39%	
2015	1,521,388	1,521,388	100.00%	
2014	1,442,598	1,442,598	100.00%	

(1) Includes penalties, back taxes and interest on delinquent taxes collected  
Source: Office of the County Treasurer, November 2019

**District's Top Ten Tax Payers – For tax year 2018**

<b>Owner</b>	<b>Type of Business</b>	<b>District Taxable Value</b>	<b>% of District's Tax Assessed Value</b>
Idaho Power Company	Utility	\$ 6,895,961	1.37%
Terteling Properties	Real Estate	5,765,302	1.14%
Kowitz, Kendall	Investment	2,140,851	0.42%
Northwest Pipeline Corp.	Natural Gas	2,135,922	0.42%
Sudik Dairy	Dairy Production	1,778,296	0.35%
Agri-Sales & Service	Agriculture Equipment	1,699,652	0.34%
Wayment, Tyler Trust	Plastic Surgeon	1,694,487	0.34%
Betaseed, Inc.	Agriculture	1,568,410	0.31%
Tesoro Logistics NW	Natural Energy Logistics	1,493,733	0.30%
Middlekauff Ford	Auto Dealership	1,320,047	0.26%
Top 10 Taxpayers		26,492,661	5.25%
All other District Taxpayers		478,098,400	94.75%
Total District Taxpayers (Tax Year 2018)		\$ 504,591,061	100.00%

**KIMBERLY SCHOOL DISTRICT No. 414**  
**KIMBERLY, IDAHO**  
**CONTINUING DISCLOSURE STATEMENT**

**State of Idaho School Finance**

**State Support to the District - (Fiscal Years)**

	2019	2018	2017	2016	2015	2014
<b>State Support</b>						
August	\$ 5,015,746	\$ 4,811,821	\$ 4,345,947	\$ 3,973,095	\$ 3,639,603	\$ 2,013,057
October	-	-	-	-	-	2,015,553
November	2,003,732	1,923,978	1,735,952	1,592,568	1,459,788	1,345,502
February	2,137,481	2,006,035	2,261,466	1,901,397	1,737,682	1,032,931
May-July	1,537,412	1,355,152	1,189,062	870,076	1,014,766	928,918
Total (1)	<u>\$ 10,694,371</u>	<u>\$ 10,096,986</u>	<u>\$ 9,532,427</u>	<u>\$ 8,337,136</u>	<u>\$ 7,851,839</u>	<u>\$ 7,335,961</u>

(1) Totals may not track due to rounding

**State Funding Schedule - Fiscal Year 2019**

<b>Payment Date</b>	<b>Payment Amount <sup>(1)</sup></b>
August 15	50%
October	Eliminated
November 15	20%
February 15	20%
May 15	10%
July 15	Final payment adjustment for the Fiscal Year ending, the previous June 30.

- (1) Percentage are an approximation of the distribution to be received; final amounts may vary.
- (2) The 2014 Legislature amended the schedule, increasing the payment received in August from 30% to 50% of the total Distribution for the year, and eliminating the October payment.
- (3) Funds may not track due to rounding.

**KIMBERLY SCHOOL DISTRICT No. 414**  
**KIMBERLY, IDAHO**  
**CONTINUING DISCLOSURE STATEMENT**

**The District**

**Enrollment**

<b>Fiscal Year</b>	<b>Elementary</b>	<b>Middle</b>	<b>Secondary</b>	<b>Total</b>
2020 (1)	1,008	529	577	2,114
2019 (2)	978	468	548	1,994
2018 (2)	964	444	547	1,955
2017 (2)	942	445	535	1,922
2016 (2)	911	429	476	1,816
2015 (2)	883	401	444	1,728
2014 (2)	834	418	449	1,701

- (1) Estimates based on District's projections. The District makes no assurance that the projections will be achieved; actual results may differ materially from the forecasts shown above.
- (2) Historical enrollment as of the last day of school each year.

**KIMBERLY SCHOOL DISTRICT  
KIMBERLY, IDAHO  
SCHEDULE OF RECEIPTS, DISBURSEMENTS AND CHANGES IN FUND  
BALANCES-AGENCY FUNDS (SCHOOL ACTIVITY FUNDS)  
FOR THE YEAR ENDED JUNE 30, 2019**

	<b>Fund Balance</b>			<b>Fund Balance</b>
	<b>June 30, 2018</b>	<b>Receipts</b>	<b>Disbursements</b>	<b>June 30, 2019</b>
Kimberly Elementary School	\$ 47,805	\$ 24,833	\$ (49,346)	\$ 23,292
Kimberly Elementary School Faculty	-	1,935	(1,174)	761
Stricker Elementary School	-	67,551	(43,689)	23,862
Stricker Elementary School Staff	787	5,618	(5,377)	1,028
Kimberly Middle School	54,341	40,148	(62,689)	31,800
Kimberly High School	232,717	479,131	(458,850)	252,998
Kimberly High School Athletics	15,991	377		16,368
Kimberly High School Student Body	54,341	1,281		55,622
	<u>54,341</u>	<u>1,281</u>	<u></u>	<u>55,622</u>
<b>Total</b>	<b>\$ 405,982</b>	<b>\$ 620,874</b>	<b>\$ (621,125)</b>	<b>\$ 405,731</b>

## **REPORTS REQUIRED BY *GOVERNMENT AUDITING STANDARDS***

**KIMBERLY SCHOOL DISTRICT  
KIMBERLY, IDAHO  
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS  
FOR THE YEAR ENDED JUNE 30, 2019**

<b>Federal Grantor/ Pass Through Grantor/ Program Title</b>	<b>Federal CFDA Number</b>	<b>Pass-Through Grantor's Number</b>	<b>Expenditures</b>
<b>U.S. Department of Agriculture</b>			
<b>Passed Through State Superintendent of Public Instruction</b>			
School Breakfast Program	10.553	82-6000893W	\$ 54,924
National School Lunch Program	10.555	82-6000893W	358,562
Summer Food Service Program for Children	10.559	82-6000893W	<u>19,294</u>
<b>Total U.S. Department of Agriculture</b>			<b>432,780</b>
<b>U.S. Department of Education</b>			
<b>Passed Through State Superintendent of Public Instruction</b>			
Title 1 Grants to Local Educational Agencies	84.010	82-6000893W	129,456
Migrant Education Basic State Formula Grant Program	84.011	82-6000893W	12,670
Improving Teacher Quality	84.367	82-6000893W	28,014
Assistance to States for Education of Handicapped Children:			
Special Education-Preschool Grants	84.173	82-6000893W	16,228
Special Education-Grants to States	84.027	82-6000893W	298,736
Student Support & Academic Enrichment	84.424	82-6000893W	<u>14,279</u>
<b>Total U.S. Department of Education</b>			<b><u>499,383</u></b>
<b>Total</b>			<b><u><u>\$ 932,163</u></u></b>

See Notes to Schedule of Expenditures of Federal Awards.



**KIMBERLY SCHOOL DISTRICT  
KIMBERLY, IDAHO  
NOTES TO SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS  
JUNE 30, 2019**

**Note A – Basis of Presentation**

The accompanying schedule of expenditures of federal awards includes the federal grant activity of Kimberly School District No. 414, and is presented on the modified accrual basis of accounting. The information in this schedule is presented in accordance with the requirements of the Uniform Guidance.

**Note B – Summary of Significant Accounting Policies**

Governmental fund types account for the District's federal grant activity. Therefore, expenditures reported on the schedule of expenditures of federal awards are recognized on the modified accrual basis-when they become a demand on current available financial resources. The District's summary of significant accounting policies is presented in Note 1 in the basic financial statements.



Mahlke Hunsaker & Company PLLC

C e r t i f i e d   P u b l i c   A c c o u n t a n t s

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**INDEPENDENT AUDITORS' REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING  
AND ON COMPLIANCE AND OTHER MATTERS BASED ON AN AUDIT OF FINANCIAL  
STATEMENTS PERFORMED IN ACCORDANCE WITH *GOVERNMENT AUDITING STANDARDS***

Chairman and Board of Trustees  
Kimberly School District No. 414  
Kimberly, Id. 83341

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of the Kimberly School District No. 414, Kimberly, Idaho (the District) as of and for the year ended June 30, 2019, and the related notes to the financial statements, which collectively comprise the District's basic financial statements, and have issued our report thereon dated October 14, 2019.

In our report, our opinion on the financial statements was qualified, as discussed in the "Basis for Qualified Opinion" paragraph in the report on the financial statements. Management has not performed the actuarial calculations for other post-employment benefits for the governmental activities and, accordingly, has not considered the District's other post-employment benefit liability. As a result, the OPEB liability and related expense have not been recorded on the Statement of Net Position.

**Internal Control over Financial Reporting**

In planning and performing our audit of the financial statements, we considered the District's internal control over financial reporting (internal control) to determine the audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the District's internal control. Accordingly, we do not express an opinion on the effectiveness of the District's internal control.

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. A *material weakness* is a deficiency, or a combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected on a timely basis. A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

## **Compliance and Other Matters**

As part of obtaining reasonable assurance about whether the District's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

## **Purpose of this Report**

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the entity's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the entity's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

*Mahlke Hunsaker & Co.*

MAHLKE HUNSAKER & CO., pllc  
Twin Falls, Idaho  
October 14, 2019



Mahlke Hunsaker & Company PLLC  
C e r t i f i e d   P u b l i c   A c c o u n t a n t s

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**INDEPENDENT AUDITORS' REPORT ON COMPLIANCE FOR EACH MAJOR PROGRAM  
AND ON INTERNAL CONTROL OVER COMPLIANCE REQUIRED BY THE UNIFORM  
GUIDANCE**

Chairman and Board of Trustees  
Kimberly School District No. 414  
Kimberly, ID 83341

**Report on Compliance for Each Major Federal Program**

We have audited Kimberly School District No. 414, Kimberly, Idaho (the District)'s compliance with the types of compliance requirements described in the *OMB Compliance Supplement* that could have a direct and material effect on each of the District's major federal programs for the year ended June 30, 2019. The District's major federal programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

***Management's Responsibility***

Management is responsible for compliance with federal statutes, regulations, and the terms and conditions of its federal awards applicable to its federal programs.

***Auditor's Responsibility***

Our responsibility is to express an opinion on compliance for each of the District's major federal programs based on our audit of the types of compliance requirements referred to above. We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and the audit requirements of Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Those standards and the Uniform Guidance require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program occurred. An audit includes examining, on a test basis, evidence about the District's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances.

We believe that our audit provides a reasonable basis for our opinion on compliance for each major federal program. However, our audit does not provide a legal determination of the District's compliance.

***Opinion on Each Major Federal Program***

In our opinion, the District, complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended June 30, 2019.

## Report on Internal Control over Compliance

Management of the District is responsible for establishing and maintaining effective internal control over compliance with the types of compliance requirements referred to above. In planning and performing our audit of compliance, we considered the District's internal control over compliance with the types of requirements that could have a direct and material effect on each major federal program to determine the auditing procedures that are appropriate in the circumstances for the purpose of expressing an opinion on compliance for each major federal program and to test and report on internal control over compliance in accordance with the Uniform Guidance, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of the District's internal control over compliance.

*A deficiency in internal control over compliance* exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, noncompliance with a type of compliance requirement of a federal program on a timely basis. A *material weakness in internal control over compliance* is a deficiency, or a combination of deficiencies, in internal control over compliance, such that there is a reasonable possibility that material noncompliance with a type of compliance requirement of a federal program will not be prevented, or detected and corrected, on a timely basis. A *significant deficiency in internal control over compliance* is a deficiency, or a combination of deficiencies, in internal control over compliance with a type of compliance requirement of a federal program that is less severe than a material weakness in internal control over compliance, yet important enough to merit attention by those charged with governance.

Our consideration of internal control over compliance was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

The purpose of this report on internal control over compliance is solely to describe the scope of our testing of internal control over compliance and the results of that testing based on the requirements of the Uniform Guidance. Accordingly, this report is not suitable for any other purpose.

*Mahlke Hunsaker & Co.*

MAHLKE HUNSAKER & CO., pllc  
Twin Falls, Idaho  
October 14, 2019

**KIMBERLY SCHOOL DISTRICT  
KIMBERLY, IDAHO  
SCHEDULE OF FINDINGS AND QUESTIONED COSTS  
FOR THE YEAR ENDED JUNE 30, 2019**

**Section I----Summary of Auditors' Results**

*Financial Statements*

Type of auditor's report issued: *qualified*

Internal control over financial reporting:

\* Material weakness(es) identified?                              yes   x  no

\* Significant deficiency(s) identified  
that are not considered to be  
material weaknesses?                              yes   x  none reported

Noncompliance material to financial  
statements noted?                              yes   x  no

*Federal Awards*

Internal control over major programs:

\* Material weakness(es) identified?                              yes   x  no

\* Significant deficiency(s) identified  
that are not considered to be material  
weakness(es)?                              yes   x  none reported

Type of auditor's report issued on compliance for major programs: *unmodified*

Any audit findings disclosed that are  
required to be reported in accordance  
with the Uniform Guidance 2 CFR 200.516                              yes   x  no

Identification of major programs:

<u>CFDA Number(s)</u>	<u>Name of Federal Program or Cluster</u>
84.010	Title I Grants to Local Educational Agencies
84.027 and 84.173	Special Education Cluster

Dollar threshold used to distinguish  
between type A and type B programs:                    \$ 750,000

Auditee qualified as low-risk auditee?                              yes   x  no

**KIMBERLY SCHOOL DISTRICT  
KIMBERLY, IDAHO  
SCHEDULE OF FINDINGS AND QUESTIONED COSTS  
FOR THE YEAR ENDED JUNE 30, 2019**

**Section II -- Financial Statement Findings**

None

**Section III -- Federal Award Findings and Questioned Costs**

None